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SCHEME BOOKLET REGISTERED WITH ASIC

5 March 2025: Quickstep Holdings Limited (ASX:QHL) (**Quickstep**) refers to its announcement of earlier today, in relation to:

- the proposed scheme of arrangement under which ASDAM Operations Pty Ltd (**ASDAM**) will acquire 100% of the shares in Quickstep (**Scheme**); and

- the orders made by the Federal Court of Australia to convene a meeting of Quickstep shareholders (**Shareholders**) to consider and vote on a resolution to approve the Scheme by sending a copy of an explanatory statement with respect to the Scheme (**Scheme Booklet**) to Shareholders.

Scheme Booklet

Quickstep advises that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission. A copy of the Scheme Booklet is attached to this announcement and will be made available online at *https://www.quickstep.com.au/announcement/*.

The Scheme Booklet will also be despatched to Shareholders on or around 14 March 2025 as follows:

- Shareholders who have elected to receive meeting documents electronically from Quickstep will receive an email containing instructions on how to vote at the meeting of Shareholders and a link to access or download an electronic copy of the Scheme Booklet and to lodge their proxy instructions in relation to their shareholding;

- Shareholders who have elected to receive meeting documents in hard copy from Quickstep will receive a physical copy of the Scheme Booklet and a personalised proxy form by post; and

- all other Shareholders will receive a letter by post containing instructions about how to view or download an electronic copy of the Scheme Booklet, together with a proxy form.

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

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Independent Expert's Report

The Scheme Booklet includes the notice of meeting for the Scheme Meeting and a copy of the Independent Expert's Report prepared by Deloitte Corporate Finance Pty Ltd (**Independent Expert**) that concludes that the Scheme is fair and reasonable and therefore in the best interests of Shareholders, in the absence of a superior proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report which is included at Annexure 2 of the Scheme Booklet.

Directors' recommendation and voting intentions

The Quickstep Directors unanimously recommend Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders. Each Quickstep Director will vote, or procure the voting of, all Quickstep shares held or controlled by them in favour of the Scheme, subject to the same qualifications.

The interests of Quickstep directors are disclosed in section 9.3 of the Scheme Booklet. Shareholders should have regard to these interests when considering how to vote on the Sc heme.

Further information

For more information, please refer to the Scheme Booklet. If Shareholders have any questions in relation to the Scheme Booklet, the Scheme or their shareholding, they are encouraged to contact Quickstep's Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).

This announcement was approved for release by the Quickstep Board of Directors.

For further information:

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Interim CEO

Quickstep Holdings Limited
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dstefanova@quickstep.com.au

Ava Bentley
Company Secretary

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About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia. More information about Quickstep is available at www.quickstep.com.au.



Quickstep
HOLDINGS LIMITED

ACN 096 268 156

SCHEME BOOKLET

In relation to the scheme of arrangement to give effect to the proposed acquisition of all of the issued shares in Quickstep Holdings Limited (**Quickstep**) by ASDAM Operations Pty Ltd (**ASDAM**).

Your Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Quickstep Shareholders, in the absence of a Superior Proposal.

This is an important document and requires your immediate attention. You should read this document in full before you decide whether or not to vote in favour of the Scheme. If you are in any doubt as to what action you should take, please consult your legal, financial, tax or other professional advisers.

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LEGAL

Maddocks

FINANCIAL

MILES ADVISORY PARTNERS
IN PARTNERSHIP WITH LINCOLN INTERNATIONAL

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Important Notices

General

Quickstep Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meeting. If you are in any doubt as to any action you should take, please consult your legal, financial, taxation or other professional adviser immediately.

This Scheme Booklet has been sent to you because you are shown in the Register as holding Quickstep Shares. If you have recently sold all of your Quickstep Shares, please disregard this Scheme Booklet.

Purpose of this document

The purpose of this Scheme Booklet is to:

(a) explain the terms of the Scheme;

(b) explain the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majorities and by the Court); and

(c) provide information that is prescribed or otherwise material to the decision of Quickstep Shareholders on whether or not to approve the Scheme by voting in favour of the Scheme Resolution, being information that is within the knowledge of the Quickstep Directors and has not previously been disclosed to Quickstep Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to Quickstep Shareholders in relation to the Scheme pursuant to section 412(1) of the Corporations Act.

Responsibility for information

The Quickstep Information contained in this Scheme Booklet, other than the ASDAM Information and the Independent Expert's Report, has been prepared by, and is the sole responsibility of, Quickstep. Quickstep's Advisers do not assume any responsibility for the accuracy or completeness of the Quickstep Information. None of ASDAM, nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of the Quickstep Information and, to the maximum extent permitted by law, will not be responsible for any Quickstep Information and disclaims liability for Quickstep Information appearing in this Scheme Booklet.

The ASDAM Information has been prepared by, and is the sole responsibility of, ASDAM. ASDAM's Advisers do not assume any responsibility for the accuracy or completeness of ASDAM Information. None of Quickstep nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of ASDAM Information and, to the maximum extent permitted by law, Quickstep will not be responsible for any ASDAM Information and disclaims liability for ASDAM Information appearing in this Scheme Booklet.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of Quickstep, ASDAM nor its respective directors, officers and Advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC for review under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. Quickstep has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

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

Important notice associated with Court order under subsection 411(1) of Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court ordered on 5 March 2025 that the Scheme Meeting be convened and has directed that this explanatory statement accompany the Notice of Scheme Meeting does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Quickstep Shareholders should vote (on this matter

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Quickstep Shareholders must reach their own conclusion);

(b) has prepared, or is responsible for, the content of this Scheme Booklet; or

(c) has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Second Court Hearing and if a Quickstep Shareholder wishes to oppose the Scheme

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote on the Scheme Resolution at the Scheme Meeting.

Any Quickstep Shareholder has the right to appear and be heard at the Second Court Hearing and may oppose the approval of the Scheme at the Second Court Hearing.

If you wish to oppose approval of the Scheme in this manner, you may do so by filing with the Court and serving on Quickstep a notice of appearance, in the prescribed court form, together with any affidavit on which you wish to rely on at the Second Court Hearing. The notice of appearance and affidavit must be served on Quickstep at its address for service at least one day before the Second Court Date.

The address for service for Quickstep is: Maddocks, Level 25, Tower Two, 727 Collins Street, Melbourne 3004, attention: Ron Smooker or by email to ron.smooker@maddocks.com.au.

The Second Court Hearing is currently scheduled to be held at 10.15am (AET) on 16 April 2025 at the Federal Court of Australia at 305 William Street, Melbourne Victoria, although an earlier or later date may be sought. Any change to this date will be notified on Quickstep's website (www.quickstep.com.au/investment) and on the ASX website (https://www.asx.com.au/).

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Quickstep Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. Quickstep Shareholders should seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

Forward looking statements

Certain statements in this Scheme Booklet, including statements relating to Quickstep's or ASDAM's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of certain of those risks as they relate to Quickstep is set out in Section 7.

Any estimates, targets or forecasts reflect certain assumptions by Quickstep and/or ASDAM which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Quickstep's and/or ASDAM's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Quickstep's or ASDAM's future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described in this Scheme Booklet and in the Independent Expert's Report.

Other than as required by law, neither Quickstep nor ASDAM, their respective directors, officers and Advisers, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme

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Booklet will actually occur. Quickstep Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of ASDAM in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme Booklet and neither Quickstep nor ASDAM undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward looking statements attributable to Quickstep or ASDAM or any person acting on their behalf are qualified by this cautionary statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure 1. A reference to 'the Scheme Booklet' in the Notice of Scheme Meeting will be taken to include any supplementary scheme booklet released in relation to the Scheme.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in any such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

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

Quickstep Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Tax implications of the Scheme

Section 8 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Australian resident Scheme Shareholders who dispose of their Quickstep Shares to ASDAM under the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences, nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of each individual Quickstep Shareholder.

Quickstep Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

Privacy

Quickstep, ASDAM and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of Quickstep Shareholders, and the names of individuals appointed by Quickstep Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting Quickstep to conduct the Scheme Meeting and to enable the Scheme to be implemented. The personal information may be disclosed to Quickstep's and ASDAM's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Scheme Meeting and implement the Scheme.

If the information outlined above is not collected, Quickstep may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

Quickstep Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), Monday to Friday (excluding public

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holidays), between 8.30am and 5.00pm (AET) if they wish to exercise these rights.

Quickstep Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

The Privacy Policy of Quickstep is available at https://www.quickstep.com.au/privacy-policy. The Privacy Policy contains information about how an individual may access personal information about the individual that is held by Quickstep, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of ASDAM is available at https://marand.com.au/info/privacy-policy/ and contains information about how an individual may access personal information about the individual that is held by ASDAM, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

Websites

The contents of Quickstep's and ASDAM's websites do not form part of this Scheme Booklet and Quickstep Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

Defined terms

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 10. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which may be different from those in the Glossary.

Charts and diagrams

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

References to time

All references to times in this Scheme Booklet are references to time in Sydney, New South Wales, Australia, unless otherwise stated.

References to currency

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding, unless otherwise indicated. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of this Scheme Booklet are due to rounding. All financial operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

Queries

If you have any questions or require any further information, you can call the Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).

Date of Scheme Booklet

This Scheme Booklet is dated 5 March 2025.

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Key dates

Event	Date and Time
First Court Date The date on which the Court made orders convening the Scheme Meeting	5 March 2025
Date of this **Scheme Booklet**	5 March 2025
Proxy Forms for Scheme Meeting Latest time and date for receipt of Proxy Forms	1.30pm (AET) on 12 April 2025
Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meeting	1.30pm (AET) on 12 April 2025
Scheme Meeting to be held online via the online platform at https://meetnow.global/M5PZWXS	1.30pm (AET) on 14 April 2025

If the Scheme is approved by the Requisite Majorities, the expected timetable for implementation of the Scheme is set out below.

All of these dates are indicative only and, among other things, are subject to all necessary approvals from the Court and any relevant Government Agency. Any changes to the remainder of the timetable (which may include an earlier or later date for the Second Court Date) will be announced through the ASX website (https://www.asx.com.au/).

Second Court Date to seek Court orders approving the Scheme	10.15am (AET) on 16 April 2025
Effective Date on which the Scheme comes into effect and is binding on Quickstep Shareholders Last day of trading in Quickstep Shares on the ASX (with Quickstep Shares suspended from close of trading)	17 April 2025
Scheme Record Date for determining entitlements to Scheme Consideration	7:00pm (AET) on 23 April 2025
Implementation Date The date on which the Scheme will be implemented and the Scheme Consideration will be issued to Scheme Shareholders	5 May 2025
Delisting of Quickstep from ASX	5 May 2025

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Letter from the Chair of Quickstep

5 March 2025

Dear Quickstep Shareholder,

On behalf of your Directors, I am pleased to provide you with this Scheme Booklet which contains important information for your consideration in relation to the proposed acquisition of all of the issued shares in Quickstep by ASDAM.

Background to the Scheme

On 7 November 2024, ASDAM announced its intention to make an off-market takeover bid for 100% of the shares in Quickstep under Chapter 6 of the Corporations Act, at a price of $0.40 per Quickstep Share (**Proposed Takeover Bid**).

ASDAM had previously submitted an offer to the Quickstep Board to acquire 100% of the shares in Quickstep by way of a scheme of arrangement under Part 5.1 of the Corporations Act, at a price of $0.43 per Quickstep Share.

Quickstep announced at the time that the Quickstep Board's preliminary view was that the Proposed Takeover Bid did not adequately reflect the value of Quickstep, but that Quickstep was open to continuing constructive discussions with ASDAM.

Following receipt of the Proposed Takeover Bid, the Quickstep Board continued discussions with ASDAM.

On 20 December 2024, Quickstep entered into a binding Scheme Implementation Deed (**SID**) with ASDAM for the acquisition by ASDAM of all of the issued ordinary shares in Quickstep under a scheme of arrangement (**Scheme**). The Scheme is intended to replace and supersede the Proposed Takeover Bid, however, if the Scheme is not implemented, ASDAM will be required to proceed with the Proposed Takeover Bid. The Quickstep Directors believe that, in the absence of a Superior Proposal, the Scheme reflects a significantly improved set of transaction terms when compared with the Proposed Takeover Bid. Specifically, the Scheme Consideration represents a 44% increase over the consideration under the Proposed Takeover Bid.

The proposed acquisition is being structured as a members' scheme of arrangement between Quickstep and Quickstep Shareholders, which is a commonly used legal procedure to enable one company to acquire another company.

This Scheme Booklet sets out important information relating to the Scheme and the reasons why the Quickstep Board has unanimously recommended that Quickstep Shareholders vote in favour of the Scheme together with the Independent Expert's Report. The Scheme Booklet also sets out some of the reasons why you may wish to vote against the Scheme.

For the Scheme to proceed, it must be approved by the Requisite Majorities of Quickstep Shareholders (the requirements of which are set out later in this Scheme Booklet), and by the Court.

The Scheme is conditional on a number of matters, as set out in this Scheme Booklet.

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Please read this Scheme Booklet carefully and in its entirety. It will assist you in making an informed decision on how to vote.

Overview of the proposed Scheme

If the Scheme is approved and implemented, Quickstep Shareholders will receive $0.575 (**Scheme Consideration**) for every one Scheme Share which they hold on the Scheme Record Date.

To be approved, the Scheme requires a vote in favour of the Scheme by the Requisite Majorities at the Scheme Meeting convened by the Court, the satisfaction or waiver (if capable of waiver) of all Conditions and the approval of the Court at the Second Court Hearing.

The Scheme Consideration represents a:

- 195% premium to the closing share price of Quickstep of $0.195 (as at 6 November 2024);
- 123% premium based on Quickstep's 1-month VWAP to 6 November 2024 of $0.258; and
- 109% premium based on Quickstep's 3-month VWAP to 6 November 2024 of $0.275,

in each case being the last trading day prior to the announcement of the Proposed Takeover Bid.

The Scheme Consideration represents a 46% premium to the closing share price of Quickstep of $0.395 on 19 December 2024, being the last trading day prior to the announcement of the entering into of the SID (**SID Announcement Date**).

The closing share price of Quickstep Shares on the Last Practicable Date was $0.563.

The Scheme Consideration implies an equity value for Quickstep of $41,242,573.00.

Directors' recommendation

Your Directors have considered the advantages and disadvantages of the Scheme (see Sections 1.1 and 1.2) and unanimously recommend that Quickstep Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.

Subject to these same qualifications, each Quickstep Director intends to vote, or procure the voting of, all Quickstep Shares that they hold or control in favour of the Scheme. Quickstep Shareholders should consider this recommendation in light of the fact that certain Quickstep Directors may have differing interests from other Quickstep Shareholders and the other ancillary benefits as set out in Section 9.

Each Quickstep Director considers that despite their interests as described in Section 9, it is important and appropriate that they make a recommendation to Quickstep Shareholders about how to vote on the Scheme.

While the Quickstep Directors are confident that Quickstep is well positioned to continue to deliver growth for Quickstep Shareholders into the future, the Quickstep Directors believe the acquisition of the Quickstep business by ASDAM will deliver strategic and commercial benefits and represents a compelling opportunity. The all cash Scheme Consideration provides Quickstep Shareholders with the opportunity to realise immediate value from their Quickstep Shares.

Key reasons for the Quickstep Directors' unanimous recommendation that you vote in favour of the Scheme include:

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- the Scheme Consideration represents a significant premium to the trading prices of Quickstep Shares on the ASX prior to the announcement of the Proposed Takeover Bid and the announcement of entry into the SID;
- the Independent Expert has concluded that the Scheme is in the best interests of Quickstep Shareholders, in the absence of a Superior Proposal;
- the Quickstep Board has considered the advantages and disadvantages of the Scheme, and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders[1];
- as at the date of this Scheme Booklet, no Superior Proposal has emerged since the announcement of the Scheme;
- no brokerage will be payable by Quickstep Shareholders on the transfer of their Quickstep Shares if the Scheme proceeds; and
- the Scheme represents an enhanced set of terms when compared to the inferior Proposed Takeover Bid, and avoids the uncertainty, time and cost associated with Quickstep defending itself against the Proposed Takeover Bid.

Some of the reasons why a Quickstep Shareholder may wish to vote against the Scheme include:

- they may disagree with the opinion of the Independent Expert and the recommendation of the Quickstep Board;
- they may consider that there is the potential for a Superior Proposal to emerge for Quickstep in the foreseeable future;
- they may consider that the Scheme does not capture Quickstep's long-term potential and they may wish to participate in the future financial performance of the Quickstep business;
- the tax consequences of the Scheme may not suit the current financial position of individual Quickstep Shareholders.

Further details of the reasons why Quickstep Shareholders may wish to vote in favour of the Scheme are set out in Section 1.1.

Further details of the reasons why Quickstep Shareholders may wish to vote against the Scheme are set out in Section 1.2.

If the Scheme is approved and implemented, Quickstep will become a wholly owned subsidiary of ASDAM, Quickstep Shareholders will cease to hold their Quickstep Shares on or around 5 May 2025 and Quickstep will be delisted from the ASX. Quickstep Shareholders will, therefore, not be able to retain their Quickstep Shares and realise the value of them over the longer term. Further, Quickstep Shareholders will not be able to retain an investment in a publicly listed company with the specific characteristics of Quickstep in terms of industry, operational profile, size, capital structure, potential capital growth and potential dividend payments. However, there is no guarantee as to Quickstep's future performance or value, as is the case with all investments in listed securities.

Section 6.5 sets out details of ASDAM's intention for Quickstep if the Scheme is approved and implemented.

If the Scheme is not approved, and no Superior Proposal emerges, it is possible the price of Quickstep Shares may fall from current levels ($0.563 per Quickstep Share as at market close on the Last Practicable Date). As at the date of this Scheme Booklet, the Quickstep Board is not aware of

[1] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

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any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge. Further, if the Scheme is not approved, Quickstep Shareholders will retain their Quickstep Shares and will continue to be subject to the risks associated with Quickstep's business and general market risks. These risks are described in detail in Section 7.2 and 7.3.

Further, if the Scheme is not approved, ASDAM is required to make offers to Quickstep Shareholders on the same or substantially no less favourable terms than those outlined in the announcement of its Proposed Takeover Bid within 1 month of Quickstep or ASDAM announcing the Scheme will not otherwise proceed, or if orders from the Second Court Hearing approving the Scheme are not lodged with ASIC by 20 May 2025. Further details in relation to the Proposed Takeover Bid are set out in Section 5.11.

Independent Expert

Quickstep appointed Deloitte Corporate Finance Pty Limited as the Independent Expert to assess the merits of the Scheme and to provide an opinion as to whether the Scheme is in the best interests of Quickstep Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore the Scheme is in the best interests of Quickstep Shareholders in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a Quickstep Share on a controlling interest basis to be in the range of $0.44 and $0.59. The Scheme Consideration of $0.575 is in the upper quartile of the Independent Expert's value range.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 2 of this Scheme Booklet. Quickstep Directors encourage Quickstep Shareholders to read this report in its entirety.

How to vote

The Scheme is subject to approval by Quickstep Shareholders as well as by the Court.

The Scheme Meeting, which will be a virtual only meeting is expected to be held at 1.30pm (AET) on 14 April 2025. I, or if I am unavailable, Kym Osley, a Non-Executive Director of Quickstep will chair the Scheme Meeting. Section 3.4 and the Notice of Scheme Meeting which accompanies this Scheme Booklet set out further details about how Quickstep Shareholders can attend, vote and ask questions at the Scheme Meeting.

Your vote, as a Quickstep Shareholder, is important and I encourage you to submit your vote on this significant transaction. You may vote by attending the virtual Scheme Meeting, or by appointing a proxy, attorney or corporate representative to attend the virtual Scheme Meeting and vote on your behalf.

If you do not wish to or are unable to attend the virtual Scheme Meeting, I encourage you to vote by completing a Proxy Form and returning it so that it is received no later than 1.30pm (AET) on 12 April 2025.

I also encourage you to read this Scheme Booklet carefully, and in its entirety, as it contains important information that you should consider before you vote.

You should also seek independent legal, financial, taxation and/or other professional advice before making a decision in relation to your Quickstep Shares.

Further information

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET), or consult your legal, financial, taxation or other professional adviser.

On behalf of your Directors, I sincerely thank you for your ongoing support and loyalty towards Quickstep. I look forward to your participation at the Scheme Meeting.

Yours sincerely,



Patrick Largier
Non-Executive Chair
Quickstep Holdings Limited

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1. Key considerations relevant to your vote

This Section sets out the reasons why Quickstep Directors consider that you should vote in favour of the Scheme. Whilst Quickstep Directors acknowledge that there may be reasons for you to vote against the Scheme (see Section 1.2 titled 'Reasons why you may vote against the Scheme'), they believe that the reasons to vote in favour of the Scheme outweigh the reasons to vote against the Scheme.

	REASONS THAT YOU MIGHT VOTE IN FAVOUR OF THE SCHEME
✓	The Scheme Consideration represents a significant premium to the trading prices of Quickstep Shares on the ASX prior to both the announcement of the Proposed Takeover Bid and the announcement of the entry into the SID. Specifically, the Scheme Consideration represents a: ▪ 195% premium to the closing share price of Quickstep of $0.195 (as at 6 November 2024, being the last trading day on the ASX prior to the announcement of the Proposed Takeover Bid); ▪ 123% premium based on Quickstep's 1-month VWAP to 6 November 2024 of $0.258; and ▪ 109% premium based on Quickstep's 3-month VWAP to 6 November 2024 of $0.275. The Scheme Consideration represents a 46% premium to the closing share price of Quickstep of $0.395 (as at 19 December 2024, being the last trading day prior to the SID Announcement Date). The closing share price of Quickstep Shares on the Last Practicable Date was $0.563.
✓	The Independent Expert has concluded that that the Scheme is fair and reasonable and therefore in the best interests of Quickstep Shareholders in the absence of a Superior Proposal.
✓	The Quickstep Board has considered the advantages and disadvantages of the Scheme, and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.[2]
✓	As at the date of this Scheme Booklet, no Superior Proposal has emerged since the announcement of the Scheme.
✓	If the Scheme does not proceed, and no Superior Proposal emerges, you will continue to be subject to the risks associated with Quickstep's business and general market risks.
✓	No brokerage will be payable by you on the transfer of your Quickstep Shares if the Scheme proceeds.

[2] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

✓	The Scheme represents an enhanced set of terms when compared to the inferior Proposed Takeover Bid, and avoids the uncertainty, time and cost associated with Quickstep defending itself against the Proposed Takeover Bid.

REASONS WHY YOU MIGHT VOTE AGAINST THE SCHEME	
✗	You may disagree with the Quickstep Directors' recommendation and the Independent Expert's conclusion.
✗	You may consider that there is the potential for a Superior Proposal to emerge for Quickstep in the foreseeable future (none has emerged as at the date of this Scheme Booklet).
✗	You may consider that the Scheme does not capture Quickstep's long-term potential and you may wish to participate in the future financial performance of the Quickstep business.
✗	The tax consequences of the Scheme may not suit your current financial position.

1.1 Reasons that you might vote in favour of the Scheme

This Section sets out the reasons why Quickstep Directors consider that Quickstep Shareholders should vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.

1.1.1 **The Scheme Consideration represents a significant premium to the trading prices of Quickstep Shares on the ASX prior to both the announcement of the Proposed Takeover Bid and the announcement of the entry into the SID.**

If the Scheme is approved and implemented, Quickstep Shareholders will be entitled to receive the Scheme Consideration for each Quickstep Share they hold on the Scheme Record Date. The Scheme Consideration is $0.575 cash for each Quickstep Share held.

The closing price for Quickstep Shares on:

(a) 6 November 2024, being the last trading day on the ASX prior to the announcement of ASDAM's intention to make the Proposed Takeover Bid, was $0.195; and

(b) on 19 December 2024, being the last trading day prior to the SID Announcement Date, was $0.395.

The Scheme Consideration represents a:

(a) 195% premium to the closing share price of Quickstep of $0.195 (as at 6 November 2024);

(b) 123% premium based on Quickstep's 1-month VWAP to 6 November 2024 of $0.258; and

(c) 109% premium based on Quickstep's 3-month VWAP to 6 November 2024 of $0.275,

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in each case being the last trading day prior to the announcement of the Proposed Takeover Bid on 7 November 2024.

The Scheme Consideration represents a 46% premium to the closing share price of Quickstep of $0.395 (as at 19 December 2024, being the last trading day prior to the SID Announcement Date).

If the Scheme is not implemented and no Superior Proposal emerges, it is possible the price of Quickstep Shares may fall from current levels ($0.563 per Quickstep Share as at market close on the Last Practicable Date). As at the date of this Scheme Booklet, the Quickstep Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.

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

Quickstep appointed Deloitte Corporate Finance Pty Ltd to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and therefore in the best interests of the Quickstep Shareholders.

The Independent Expert concluded that the Scheme is fair and reasonable and therefore is in the best interests of Quickstep Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a Quickstep Share to be in the range of $0.44 to $0.59 per Quickstep Share. The Scheme Consideration of $0.575 per Quickstep Share falls within this range.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 2 of this Scheme Booklet. Quickstep Shareholders should carefully review the Independent Expert's Report in its entirety.

1.1.3 The Quickstep Board has considered the advantages and disadvantages of the Scheme, and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders[3]

The Quickstep Board has reached this recommendation having regard to the reasons to vote in favour of the Scheme, and the reasons to vote against the Scheme, as set out in this Scheme Booklet. The Quickstep Board considered the market position of Quickstep and the outlook for the Quickstep business in determining whether to recommend the Scheme. The views held by the Quickstep Board are supported by their deep industry knowledge.

In the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders, each Quickstep Director intends to vote all of their Quickstep Shares, and the Quickstep Shares that they hold or control, in favour of the Scheme. Quickstep Shareholders should consider this recommendation in light of the fact that certain Quickstep Directors may have differing interests from other Quickstep Shareholders and the other ancillary benefits as set out in Section 9.

[3] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

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1.1.4 **As at the date of this Scheme Booklet, no Superior Proposal has emerged since the announcement of the Scheme**

The Quickstep Board is, at present, not aware of any Competing Proposal. Moreover, the Quickstep Board considers that the possibility of a Competing Proposal that could give rise to a Superior Proposal emerging in the foreseeable future is low. Since the SID Announcement Date, no Competing Proposal has emerged to the knowledge of the Quickstep Board, and no Quickstep Director has received any approaches which could cause them to believe that a Competing Proposal is likely to emerge.

As set out in Sections 1.3.4 and 9.4.3, Quickstep is bound by customary exclusivity obligations, including in relation to Competing Proposals, under the terms of the SID.

1.1.5 **If the Scheme does not proceed, the Proposed Takeover Bid is not successful and no Superior Proposal emerges, you will continue to be subject to the risks associated with Quickstep's business and general market risks**

The Quickstep Board considers that Quickstep has a number of growth opportunities as an independent listed company on the ASX. Nevertheless, these initiatives will take time to fully implement and carry execution risk.

If the Scheme does not proceed, and if the Proposed Takeover Bid is not successful, Quickstep Shareholders will continue to be subject to these risks, as well as other specific risks inherent in Quickstep's business, including those summarised in more detail in Section *7* of this Scheme Booklet.

In addition, if the Scheme does not proceed, and the Proposed Takeover Bid is not successful, Quickstep Shares will continue to remain quoted on the ASX and will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and the demand for listed securities. The price that Quickstep Shareholders will be able to realise for their Quickstep Shares will necessarily be uncertain and subject to a number of other risks including those outlined in Section *7* of this Scheme Booklet. There is no guarantee that, in the foreseeable future (or otherwise), Quickstep Shareholders will be able to realise a value equal to, or greater than, the Scheme Consideration.

The Scheme removes these risks for Quickstep Shareholders and allows shareholders to exit their investment in Quickstep for the Scheme Consideration that the Independent Expert has determined is fair and reasonable, in the absence of a Superior Proposal.

1.1.6 **No brokerage will be payable by you on the transfer of your Quickstep Shares if the Scheme proceeds**

You will not incur any brokerage on the transfer of your Quickstep Shares to ASDAM under the Scheme.

If you sell your Quickstep Shares on the ASX, rather than disposing of them via the Scheme, you may incur brokerage charges and potentially GST on those charges.

1.1.7 **The Scheme represents an enhanced set of terms when compared to the inferior Proposed Takeover Bid, and avoids the uncertainty, time and cost associated with Quickstep defending itself against the Proposed Takeover Bid**

The Scheme presents a more favourable set of terms when compared to the Proposed Takeover Bid, providing a clearer and more beneficial alternative. Specifically, the consideration

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under the Scheme represents a 44% increase over the consideration under the Proposed Takeover Bid.

If the Scheme is not implemented, ASDAM would be required to formally submit its Proposed Takeover Bid to Quickstep Shareholders, as outlined in Section 5.11. If this were to occur, the Quickstep Directors currently intend to recommend that Quickstep Shareholders do not accept the Proposed Takeover Bid, based on its comparative inferiority to the Scheme and the valuation of Quickstep Shares by the Independent Expert of being in the range of $0.44 to $0.59, among other reasons. Quickstep would incur additional expenses in defending against the Proposed Takeover Bid (for the avoidance of doubt, Quickstep would also incur additional expenses if the Quickstep Directors were to recommend that Quickstep Shareholders accept the Proposed Takeover Bid). These would include costs for professional advisers including legal counsel, corporate advisors, an independent expert, registry services and tax specialists, among others.

1.2 Reasons why you might vote against the Scheme

Although the Quickstep Board unanimously recommends that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders, some of the factors which may lead Quickstep Shareholders to vote against the Scheme are set out below.

1.2.1 You may disagree with the opinion of the Independent Expert and the recommendation of the Quickstep Board

Notwithstanding the unanimous recommendation of the Quickstep Directors that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders, you may hold a different view.

You are not obliged to follow the recommendation of the Quickstep Board and may not agree with the Independent Expert's conclusion.

1.2.2 You may consider that there is the potential for a Superior Proposal to emerge for Quickstep in the foreseeable future

It is possible that, if Quickstep were to continue as an independent listed entity, a corporate control proposal for Quickstep could materialise in the future, such as a takeover bid with a higher price.

Implementation of the Scheme will mean that Quickstep Shareholders will not receive the benefit of any such proposal. However, since the SID Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the Quickstep Board is not currently aware of any Competing Proposal, nor are the Quickstep Directors aware of any intention of a party to make a Competing Proposal.

1.2.3 You may consider that the Scheme does not capture Quickstep's long-term potential and you may wish to participate in the future financial performance of the Quickstep business

If the Scheme is approved and implemented, you will cease to be a Quickstep Shareholder in or around 5 May 2025 and Quickstep will be delisted from the ASX. You may consider that Quickstep has stronger long-term growth, particularly in light of Quickstep's strategic

initiatives outlined in Section 5. In light of this, you may believe the Scheme Consideration does not fully reflect your views on long-term value. You may therefore prefer to retain your Quickstep Shares and realise the value of them over the longer term. Further you may wish to retain an investment in a publicly listed company with the specific characteristics of Quickstep in terms of industry, operational profile, size, capital structure, potential capital growth and potential dividend payments. However, there is no guarantee as to Quickstep's future performance or value, as is the case with all investments in listed securities.

1.2.4 The tax consequences of the Scheme may not suit your current financial position

Implementation of the Scheme may trigger taxation consequences for Quickstep Shareholders. A general summary of the taxation implications of the Scheme in respect of the Scheme Consideration to be received by Quickstep Shareholders is set out in Section 8.

This summary is expressed in general terms only and Quickstep Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

1.3 Additional considerations relating to the Scheme

You should also consider the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

1.3.1 The Scheme may be implemented even if you vote against the Scheme or do not vote at all

You should be aware that if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities, the Scheme is approved by the Court, and if the other Conditions are satisfied or waived (where capable of waiver). If this occurs, your Scheme Shares will be transferred to ASDAM and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme at the Scheme Meeting.

1.3.2 Conditionality of the Scheme

Implementation of the Scheme is subject to the Conditions summarised in Section 9.4.1 and set out in full in clause 3.1 of the SID. If the Conditions are not satisfied or waived (where capable of waiver), the Scheme will not become Effective and Quickstep Shareholders will not receive the Scheme Consideration.

1.3.3 Warranty by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Quickstep and ASDAM, and appointed and authorised Quickstep as its attorney and agent to warrant to ASDAM that:

(a) all of their Scheme Shares are fully paid, free from all Encumbrances and restrictions on transfer of any kind; and

(b) they have full power and capacity to transfer their Scheme Shares (together with any rights attaching to those Scheme Shares) to ASDAM pursuant to the Scheme.

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1.3.4 **Exclusivity**

The SID includes certain exclusivity arrangements that Quickstep has made in favour of ASDAM. These include customary no-shop, no-talk and no-due diligence obligations, as well as obligations of notification of Competing Proposals and to providing a Matching Right to ASDAM in the event that a Superior Proposal is received by Quickstep. These exclusivity arrangements are described in further detail in Section 9.4.3.

1.3.5 **Target Reimbursement Fee**

Quickstep must pay the Target Reimbursement Fee to ASDAM in certain circumstances as summarised in Section 9.4.4 and set out in full in clause 12.2 of the SID.

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2. Frequently Asked Questions

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

	Question	Answer	Section references
	An overview of the Scheme		
1	**Why have I received this Scheme Booklet?**	This Scheme Booklet has been sent to you because you are a Quickstep Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you consider and decide on how to vote on the Scheme at the Scheme Meeting. If you are no longer the holder of any Quickstep Shares please disregard this Scheme Booklet as you will not be entitled to vote at the Scheme Meeting.	Letter from the Chair
2	**What is the Scheme?**	The Scheme is the proposed acquisition of all of the shares on issue in Quickstep by ASDAM by way of a scheme of arrangement between Quickstep and Quickstep Shareholders under Part 5.1 of the Corporations Act. If the Scheme becomes Effective, each Quickstep Shareholder will receive the Scheme Consideration for each Quickstep Share they hold on the Scheme Record Date. To be approved, the Scheme requires a vote in favour of the Scheme by the Requisite Majorities at the Scheme Meeting convened by the Court, followed by Court approval.	Section 4 and Annexure 3
3	**What is a scheme of arrangement and why has this transaction been structured as a scheme of arrangement?**	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act and is commonly used in transactions in Australia that may result in a change of ownership or control of a public company such as Quickstep. Effecting the transaction via this Scheme is believed to be the most efficient structure to implement the sale of Quickstep Shares.	Section 4 and Annexure 3
4	**Who is entitled to participate in the Scheme?**	Each person who is a Quickstep Shareholder as at the Scheme Record Date will be entitled to participate in the Scheme.	Section 3.12
5	**What is the timetable for the transaction?**	If Quickstep Shareholders approve the Scheme by the Requisite Majorities and Court approval is obtained and the remaining Conditions are either satisfied or waived (where capable of waiver), the Scheme is expected to be implemented on 5 May 2025. This is based on the current scheduled timetable of key dates set out on page 1 of this Scheme Booklet, which is subject to change.	Key dates

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	Question	Answer	Section references
6	**What are my options?**	You may: (a) vote for or against the Scheme Resolution to approve the Scheme; (b) sell your Quickstep Shares on-market before the Effective Date or off-market before the Scheme Record Date; or (c) abstain or do nothing, in which case: (i) if the Scheme becomes Effective, your Quickstep Shares will be transferred to ASDAM and you will receive the Scheme Consideration for all of your Quickstep Shares held on the Scheme Record Date; and (ii) if the Scheme does not become Effective, you will continue to hold your Quickstep Shares. If you sell your Quickstep Shares before the Meeting Record Date, you will not be entitled to vote at the Scheme Meeting and any prior proxy appointment by you will be cancelled.	Section 3.3
7	**What should I do?**	You should read this Scheme Booklet carefully in its entirety (and seek advice if you have questions) and then vote by attending the Scheme Meeting virtually or by appointing a proxy or corporate representative to attend the Scheme Meeting virtually on your behalf. Quickstep strongly encourages Quickstep Shareholders to consider lodging a directed proxy before the Scheme Meeting in the event that they are not able to participate in the virtual Scheme Meeting.	Section 3
	The Scheme Consideration		
8	**What will I receive if the Scheme becomes Effective and is implemented?**	If the Scheme is implemented and you are a Scheme Shareholder (being a Quickstep Shareholder on the Scheme Record Date), you will receive the Scheme Consideration of $0.575 for every one Scheme Share held by you on the Scheme Record Date.	Section 4.3
9	**What premium is being offered?**	The closing price for Quickstep Shares on 6 November 2024, being the last trading day prior to the announcement of the Proposed Takeover Bid, was $0.195. The Scheme Consideration represents a: (a) 195% premium to the closing share price of Quickstep of $0.195 (as at 6 November 2024); (b) 123% premium based on Quickstep's 1-month VWAP to 6 November 2024 of $0.258; and (c) 109% premium based on Quickstep's 3-month VWAP to 6 November 2024 of $0.275, in each case being the last trading day prior to the announcement of ASDAM's Proposed Takeover Bid. The Scheme Consideration represents a 46% premium to the closing share price of Quickstep of $0.395 as at 19 December 2024 (being the last trading day prior to the SID Announcement Date).	Section 1.1

	Question	Answer	Section references
		On the Last Practicable Date, being 26 February 2025, the closing price of Quickstep Shares on the ASX was $0.563.	
10	**When will I be paid the Scheme Consideration?**	If the Scheme is implemented, the Scheme Consideration for your Scheme Shares will be paid to you on the Implementation Date, which is expected to be 5 May 2025.	Section 4.2
11	**Will I have to pay brokerage fees on the disposal of my Quickstep Shares?**	Scheme Shareholders will not pay brokerage fees on the disposal of their Quickstep Shares pursuant to the Scheme.	Section 1.1.6
	Questions about ASDAM		
12	**Who is ASDAM?**	ASDAM is a leading Australian sovereign defence and advanced manufacturing group. It includes Marand, TAE Aerospace, Rosebank Engineering and Levett Engineering. ASDAM provides end-to-end capability across design, engineering, manufacturing, assembly and sustainment.	Section 6.2
13	**Why does ASDAM wish to implement the Scheme?**	ASDAM's proposed acquisition of Quickstep via the Scheme is consistent with its strategic objectives of continuing to expand its sovereign capability and increase the breadth of service it can provide to its customers, who include defence primes, commercial clients, governments and defence forces.	Section 6.4
14	**How will ASDAM fund the Scheme Consideration?**	If the Scheme is implemented, Scheme Shareholders will receive $0.575 cash for each Scheme Share they hold as at the Scheme Record Date. The maximum amount payable by ASDAM if the Scheme is implemented is estimated to be approximately $41.2 million, based on Quickstep's issued share capital as at the date of this Scheme Booklet. ASDAM intends to fully fund payment of the aggregate Scheme Consideration using existing cash reserves and the drawdown of existing debt facilities available to it. The Scheme is not subject to any financing condition precedent.	Section 6.6

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	Question	Answer	Section references
15	**What is happening with the Proposed Takeover Bid**	ASIC has provided relief to ASDAM to allow Quickstep and ASDAM time for the Scheme to be considered and implemented (if approved by Quickstep Shareholders and the Court, and if all Conditions are satisfied or (if permitted) waived). However, if the Scheme is not approved and implemented, ASDAM is required to make offers to Quickstep Shareholders on the same or substantially no less favourable terms than those outlined in the announcement of its Proposed Takeover Bid within 1 month of Quickstep or ASDAM announcing the Scheme will not otherwise proceed, or if orders from the Second Court Hearing approving the Scheme are not lodged with ASIC by 20 May 2025.	Section 5.11
	Voting considerations		
16	**What am I being asked to vote on at the Scheme Meeting?**	You are being asked to vote on whether or not to approve the Scheme by voting at the Scheme Meeting. The text of the Scheme Resolution is set out in the Notice of Scheme Meeting at Annexure 1.	Annexure 1
17	**What do the Quickstep Directors recommend?**	The Quickstep Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.[4] The reasons for the Quickstep Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 1.	Letter from the Chair and Sections 1.1.3 and 9.3.1
18	**How do the Quickstep Directors intend to vote?**	Each Quickstep Director intends to vote the Quickstep Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.	Letter from the Chair and Sections 1.1.3 and 9.3.1
19	**Do any of the Quickstep Directors have additional interests in the Scheme?**	No. Other than the relevant interest in the Quickstep Shares held by them as disclosed in Section 9.3.2, none of the Quickstep Directors have any additional interests in the Scheme. In particular, none of the Quickstep Directors are entitled to, nor will they receive any transaction bonuses, retention payments or other payments related to the Scheme and neither will they be made any offers of employment by ASDAM following implementation of the Scheme.	Section 9.3

[4] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

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	Question	Answer	Section references
20	**What is the Independent Expert's conclusion?**	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of Quickstep Shareholders. The Independent Expert has assessed the value of Quickstep at between $0.44 and $0.59 per Quickstep Share. The Scheme Consideration of $0.575 per Quickstep Share falls within this range. A complete copy of the Independent Expert's Report is attached at Annexure 2. You are encouraged to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.	Section 1.1.2 and Annexure 2
21	**Why should I vote in favour of the Scheme?**	Section 1.1 sets out some of the reasons why the Quickstep Directors consider that you should vote in favour of the Scheme.	Section 1.1
22	**Why might I consider voting against the Scheme?**	Section 1.2 sets out some of the reasons which may lead you to consider voting against the Scheme.	Section 1.2
23	**What can I do if I oppose the Scheme?**	If you, as a Quickstep Shareholder, oppose the Scheme, you may: (a) vote against the Scheme Resolution at the Scheme Meeting; and/or (b) if Quickstep Shareholders pass the Scheme Resolution at the Scheme Meeting and you wish to appear and be heard at the hearing on the Second Court Date, you must lodge a notice of intention to appear at such hearing and indicate opposition to the Scheme. You should seek professional advice as to how to do this.	Important Notices and Section 4
The Scheme Meeting and voting details			
24	**When and where will the Scheme Meeting be held?**	The Scheme Meeting which will be a virtual meeting only is currently expected to be held at 1.30pm (AET) on 14 April 2025, via the online meeting platform at https://meetnow.global/M5PZWXS. There will be no physical location for Quickstep Shareholders to attend.	Key Dates, Section 3.1 and Annexure 1
25	**Am I entitled to vote?**	Each Quickstep Shareholder who is registered on the Register at 1.30pm (AET) on the Meeting Record Date (currently expected to be 12 April 2025), is entitled to vote at the Scheme Meeting. If you are not registered on the Register on such date, for example, because you sold all of your Quickstep Shares, you will not be entitled to vote at the Scheme Meeting. No Quickstep Shareholders are excluded from voting on the Scheme.	Section 3.7

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	Question	Answer	Section references
26	**How do I vote?**	You can vote on the Scheme Resolution: (a) online via the online meeting platform, by entering the following URL https://meetnow.global/M5PZWXS into a web browser on your computer, tablet or smartphone; or (b) by appointing a proxy (including by completing and returning the Proxy Form or lodging your proxy online before 1.30pm (AET) on 12 April 2025) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is available to you.	Section 3 and Annexure 1
27	**Is voting compulsory?**	Voting is not compulsory. However, Quickstep Directors believe that the Scheme is important for all Quickstep Shareholders and the Quickstep Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders.[5]	Sections 1.1.3 and 9.3
28	**What voting majority is required to approve the Scheme?**	The Scheme needs to be approved by the Requisite Majorities at the Scheme Meeting, which is: (a) at least 75% of the total number of votes cast on the Scheme Resolution (virtually, or by proxy, corporate representative or attorney), where each Quickstep Share carries one vote; and (b) a majority in number (more than 50%) of Quickstep Shareholders present and voting (virtually, or by proxy, corporate representative or attorney) at the Scheme Meeting. The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so. If the Scheme is not approved by the Requisite Majorities at the Scheme Meeting and the Court has not exercised its discretion to waive the second requirement, the Scheme will not proceed.	Section 3.2
29	**When will the result of the Scheme Meeting be known?**	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX as soon as practicable. Quickstep Shareholders should note that, even if the Scheme Resolution is passed at the Scheme Meeting, the Scheme remains subject to approval of the Court and satisfaction or waiver (where capable of waiver) of all other Conditions.	Key Dates

[5] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

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	Question	Answer	Section references
Implementation of the Scheme			
30	**Are there conditions that need to be satisfied before the Scheme can proceed?**	Yes. Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions. These Conditions are summarised in Section 9.4.1 and set out in full in clause 3.1 of the SID. As at the date of this Scheme Booklet, the Quickstep Directors are not aware of any reason why any Condition will not be satisfied or waived (where capable of waiver). If the Scheme is approved by the Requisite Majorities at the Scheme Meeting and the other Conditions are satisfied or waived, Quickstep will apply to the Court for approval of the Scheme.	Section 9.4.1
31	**When will the Scheme become Effective?**	The Scheme will become Effective if: (a) the Scheme is approved by the Requisite Majorities at the Scheme Meeting; (b) the Court approves the Scheme on the Second Court Date; and (c) all other Conditions are satisfied or waived (as applicable). Subject to the above, the Scheme will become Effective on the Effective Date, which is currently expected to be 17 April 2025.	Key Dates
32	**What happens if the Scheme is not approved?**	If the Scheme is not approved by the Requisite Majorities at the Scheme Meeting and approved by the Court, the Scheme will not proceed. If the Scheme does not proceed: (a) ASDAM will not acquire the Scheme Shares; (b) you will not receive the Scheme Consideration; (c) Quickstep will continue to be listed on the ASX; and (d) Quickstep Shareholders will retain their Quickstep Shares and continue to share in any benefits and risks of Quickstep's ongoing business. If the Scheme does not proceed, and no Superior Proposal emerges, Quickstep Shareholders will continue to be exposed to the general market risks set out in Section 7 and the risk factors relating to the business and operations of Quickstep set out in Section 7. In addition, if the Scheme for any reason is not implemented, the ASIC relief obtained by ASDAM would require ASDAM to formally submit its Proposed Takeover Bid to Quickstep Shareholders (see Section 5.11 for further details). If this were to occur and on the assumption that ASDAM does not increase the amount of the offer under the Proposed Takeover Bid, the Quickstep Directors currently intend to recommend that Quickstep Shareholders do not accept the Proposed Takeover Bid, based on its comparative inferiority to the Scheme and the valuation of Quickstep Shares by the Independent Expert of being in the range of $0.44 to $0.59, among other reasons.	Sections 4.5, 5.11 and 7.4.2

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	Question	Answer	Section references
33	**What happens if the Conditions are not satisfied or the SID is terminated?**	If each Condition is not satisfied or waived (where capable of waiver) or the SID is otherwise terminated, the Scheme will not proceed. The SID can be terminated by Quickstep or ASDAM (as applicable) in limited circumstances which are customary for a transaction of this nature. The circumstances in which Quickstep or ASDAM (as applicable) can terminate the SID are summarised in Section 9.4.5 of this Scheme Booklet and set out in full in clauses 3.7, 13.1, 13.2 and 13.3 of the SID. Depending on the reasons for the SID being terminated, Quickstep may be liable to pay the Target Reimbursement Fee to ASDAM. The Target Reimbursement Fee will not be payable merely because Quickstep Shareholders do not approve the Scheme.	Section 9.4.5
34	**Do Quickstep Shareholders need to do anything if the Scheme becomes Effective?**	If the Scheme becomes Effective, no further action is required on the part of Quickstep Shareholders in order to implement the Scheme. Under the Scheme, Quickstep is given authority to effect a valid transfer of all Scheme Shares to ASDAM and to enter the name of ASDAM in the Register as holder of all the Scheme Shares and Scheme Shareholders will receive the Scheme Consideration.	Sections 3 and 4.3
35	**When is the Exclusivity Period and what exclusivity arrangements are in place?**	The SID includes exclusivity arrangements which apply from the date of the SID until the earlier of: (a) the date that the SID is terminated; (b) the End Date, being 30 June 2025 or such other date that is agreed; and (c) the Effective Date, being the date on which the Scheme becomes Effective, (being the **Exclusivity Period**). During the Exclusivity Period, Quickstep may generally not solicit, discuss or provide any due diligence materials to third parties with respect to Competing Proposals for Quickstep or its business.	Section 9.4.3
36	**What happens if a Superior Proposal for Quickstep emerges?**	If Quickstep receives a Superior Proposal from a third party, there are certain steps that must be taken by Quickstep in respect of that proposal. Quickstep must notify ASDAM of, and ASDAM has a right to match, any Competing Proposal in accordance with the SID.	Section 9.4.3
37	**What are the prospects of receiving a Superior Proposal?**	The Quickstep Board considers the prospects of receiving a Superior Proposal to be low. Since the SID was announced on 20 December 2024, neither the Quickstep Board nor any of Quickstep's Advisers has received any Competing Proposal from a third party and there are no third party discussions underway with Quickstep (or its Advisers) in relation to any Competing Proposal. Quickstep Shareholders should note that Quickstep has agreed to certain exclusivity and break fee provisions in favour of ASDAM under	Section 1.1.4

	Question	Answer	Section references
		the SID which may reduce the likelihood of a Competing Proposal emerging.	
38	**What is the Target Reimbursement Fee and when is it payable to ASDAM?**	The Target Reimbursement Fee is $412,000. This fee is payable by Quickstep to ASDAM in certain circumstances, including if during the Exclusivity Period, subject to certain exceptions, any Quickstep Director withdraws, adversely changes or qualifies their support of the Scheme or recommends, supports or endorses a Competing Proposal.	Section 9.4.4
	ASDAM following the acquisition		
39	**What are ASDAM's intentions in relation to Quickstep if the Scheme proceeds?**	Subject to the findings of a post-acquisition review to be conducted following implementation of the Scheme, ASDAM's intention is to continue to operate Quickstep consistent with management's business plan, including actively pursuing growth opportunities available to Quickstep. If the Scheme is approved and implemented, ASDAM's intention is to reconstitute the Board of Quickstep and of each Quickstep Subsidiary, terminate the quotation of Quickstep Shares on the ASX and procure the removal of Quickstep from the official list of the ASX and convert Quickstep to an Australian proprietary company limited by shares.	Section 6.5
	Other		
40	**Can I keep my Quickstep Shares?**	If the Scheme becomes Effective, all Scheme Shares will be transferred to ASDAM. This will happen even if you did not vote or if you voted against the Scheme at the Scheme Meeting. If the Scheme does not become Effective, you will continue to hold your Quickstep Shares.	Sections 1.3.1 and 3.3
41	**When will Quickstep Shares cease trading on the ASX?**	Quickstep Shares will cease trading from the close of trading on ASX on the Effective Date, which is currently expected to be 17 April 2025 based on the current timetable.	Key Dates and Section 4.2

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	Question	Answer	Section references
42	**Can I sell my Quickstep Shares on the ASX before the Scheme becomes Effective?**	You can sell your Quickstep Shares on market at any time up to close of trading on the ASX on the Effective Date. However, if you sell your Quickstep Shares before the Meeting Record Date, you will not be entitled to vote at the Scheme Meeting and any prior proxy appointment will be cancelled. You will not be able to sell your Quickstep Shares on market after the Effective Date, as this will be the last day of trading in Quickstep Shares on the ASX before trading is suspended. You may, however, seek to sell your Quickstep Shares off-market after the Effective Date but before the Scheme Record Date. If you sell your Quickstep Shares before the Scheme Record Date, you: (a) may receive the proceeds from the sale of your Quickstep Shares sooner than you would receive payment under the Scheme; (b) may incur brokerage costs if you sell your Quickstep Shares on market; and (c) will not be able to participate in the Scheme and receive the Scheme Consideration.	Section 3.3
43	**What are the tax implications of the Scheme?**	If the Scheme becomes Effective, there may be tax consequences for Scheme Shareholders which may include tax being payable on any gain or disposal of Quickstep Shares. For further general information about the Australian tax consequences of the Scheme for certain Quickstep Shareholders, see Section 8. The tax treatment may vary depending on your individual circumstances. Quickstep encourages you to seek independent professional taxation advice in relation to your particular circumstances.	Section 8
44	**What if I have further questions about the Scheme?**	If Quickstep Shareholders have any questions in relation to the Scheme or require further information they should call the Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).	Letter from Chair

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3. Details of the Scheme Meeting and how to vote

3.1 Details of Scheme Meeting

The notice convening the Scheme Meeting is attached at Annexure 1 to this Scheme Booklet.

The Scheme Meeting will be held virtually only on Monday, 14 April 2025 at 1.30pm (AET) through the online meeting platform at https://meetnow.global/M5PZWXS. Quickstep Shareholders will be unable to attend the Scheme Meeting in person. Instead Quickstep Shareholders may participate in the Scheme Meeting online.

It is intended that the Non-Executive Chair of Quickstep, Patrick Largier, will be the Chair of the Scheme Meeting. In his absence, for whatever reason, Kym Osley, a Non-Executive Director of Quickstep will chair the Scheme Meeting.

Instructions on how to ask questions during the Scheme Meeting are outlined in the Notice of Scheme Meeting in Annexure 1.

3.2 Voting majorities required

The Scheme needs to be approved by the Requisite Majorities at the Scheme Meeting, which is:

3.2.1 at least 75% of the total number of votes cast on the Scheme Resolution by Quickstep Shareholders present and voting (virtually, or by proxy, corporate representative or attorney); and

3.2.2 a majority in number (more than 50%) of Quickstep Shareholders present and voting (virtually, or by proxy, corporate representative or attorney) at the Scheme Meeting.

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

If the Scheme is not approved by the Requisite Majorities and approved by the Court, the Scheme will not proceed.

3.3 Your choices as a Quickstep Shareholder

As a Quickstep Shareholder, you have the following choices:

3.3.1 you can vote for or against the Scheme at the Scheme Meeting yourself, by attorney, by proxy or, in the case of corporate shareholders, by corporate representative;

3.3.2 you can elect not to vote at the Scheme Meeting;

3.3.3 you can sell your Quickstep Shares on market at any time before the close of trading on the ASX on the Effective Date (however, if you sell your Quickstep Shares before the Meeting Record Date, you will not be entitled to vote at the Scheme Meeting and any prior proxy appointment will be cancelled);

3.3.4 you can sell your Quickstep Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5.00pm (AET) on the Scheme Record Date; or

3.3.5 you can do nothing, in which case:

(a) if the Scheme becomes Effective and is implemented, your Scheme Shares will be transferred to ASDAM and you will receive the Scheme Consideration; or

(b) if the Scheme does not become Effective and is not implemented, you will continue to hold your Quickstep Shares.

You should be aware that even if you do not attend the virtual Scheme Meeting, or do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by Quickstep Shareholders by the Requisite Majorities, is approved by the Court, and becomes unconditional. If this occurs, any Quickstep Shares that you hold on the Scheme Record Date will be transferred to ASDAM and you will receive the Scheme Consideration for those Scheme Shares, even though you did not vote on, or voted against, the Scheme.

3.4 How to vote through the online meeting platform

Quickstep Shareholders can vote at the Scheme Meeting through the online meeting platform via https://meetnow.global/M5PZWXS.

How to attend and vote online:

3.4.1 Quickstep Shareholders can watch and participate in the Scheme Meeting online via the online platform at https://meetnow.global/M5PZWXS on your smartphone, tablet or computer. Please ensure your browser is compatible.

3.4.2 Please refer to the relevant online guide available at http://www.computershare.com.au/virtualmeetingguide for further information about how to log in, vote and ask questions online.

3.4.3 Log in to the portal using your full name, mobile number, email address and participant type.

3.4.4 You will need to register to vote:

(a) if you are an individual or joint shareholder, you will need to register and provide validation by entering your shareholder number (your security reference number or holder identification number) and postcode registered on your holding (or country of residence if outside of Australia); and

(b) if you are an appointed proxy, you must contact Computershare Investor Services on +61 3 9415 4024 no later than 24 hours before the Scheme Meeting to request your unique email invitation link. The online platform will allow you to listen to the proceedings, view the presentations, ask questions and vote in real-time.

Participation in the Scheme Meeting enables Quickstep Shareholders to view the Scheme Meeting live, ask questions and cast votes at the appropriate times during the Scheme Meeting.

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3.5 How to vote by attorney or corporate representative

Persons who are attending the virtual Scheme Meeting as an attorney must provide a certified copy of the power of attorney to the Share Registry by no later than 1.30pm (AET) on 12 April 2025.

Persons who are attending the virtual Scheme Meeting as a corporate representative for a corporation must provide evidence of their appointment. The appointment must comply with section 250D of the Corporations Act and must be lodged with the Share Registry by no later than 1.30pm (AET) on 12 April 2025. You should contact the Share Registry on how to lodge the authority to act as a corporate representative.

3.6 How to vote by proxy

All Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than 1.30pm (AET) on 12 April 2025. Proxy votes received after this time will be invalid.

Your appointment of a proxy does not preclude you from personally attending and voting at the Scheme Meeting online. The appointment of your proxy is not revoked merely by your attendance to, and participation in, the Scheme Meeting. However, if you vote on the Scheme Resolution, any vote made by your proxy on your behalf will not be counted.

You can vote by proxy by completing and lodging the Proxy Form with the Share Registry in any of the following ways:

Online	www.investorvote.com.au (Control Number: 184719)
Mobile device	Scan the QR Code available on the proxy form
Mail	Post the signed Proxy Form to: Computershare Investor Services Pty Limited GPO Box 242, Melbourne Victoria 3001
Fax	Fax the signed Proxy Form to: 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)

3.7 Eligibility to vote

The time for determining eligibility to vote at the Scheme Meeting is the Meeting Record Date, currently expected to be 1.30pm (AET) on 12 April 2025. Only those Quickstep Shareholders entered on the Register at that time will be entitled to virtually attend and vote at the Scheme Meeting.

3.8 How to ask questions

Quickstep Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to info@quickstep.com.au by no later than 7.00pm (AET) on 12 April 2025. Please use the email subject 'Scheme Meeting Question'.

Alternatively, Quickstep Shareholders can submit questions virtually when attending the virtual Scheme Meeting online. It may not be possible to respond to all questions raised during the Scheme Meeting, therefore, it is encouraged that Quickstep Shareholders lodge questions prior to the Scheme Meeting. More information regarding how to participate and how to ask questions online during the virtual Scheme Meeting is set out in the Notice of Scheme Meeting at Annexure 1.

3.9 Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising their discretion the Chair will have regard to the number of Quickstep Shareholders impacted and the extent to which participation in the business of the meeting is affected.

3.10 Scheme Record Date

Those Quickstep Shareholders on the Register on the Scheme Record Date, being 7.00pm (AET) on the second Business Day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Scheme Record Date.

3.11 No trading on ASX after Effective Date

After the Scheme becomes Effective, Quickstep will apply for suspension of trading in Scheme Shares. The last date for trading Scheme Shares on the ASX will be the Effective Date.

3.12 Determination of entitlement to Scheme Consideration

For the purposes of establishing the Quickstep Shareholders that are entitled to receive the Scheme Consideration, dealings in Scheme Shares will only be recognised if:

3.12.1 in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the Scheme Shares on or before 7.00pm (AET) on the Scheme Record Date; and

3.12.2 in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm (AET) on the Scheme Record Date at the Share Registry.

Subject to the Corporations Act, Listing Rules and Quickstep's constitution, Quickstep must register transmission applications or transfers which the Share Registry receives by 5.00pm (AET) on the Scheme Record Date. Quickstep will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Scheme Shares received after that time.

3.13 Further information

Please refer to the Notice of Scheme Meeting set out in Annexure 1 for further information on voting procedures and details of the Scheme Resolution to be voted on at the Scheme Meeting (including who is entitled to vote on the Scheme Resolution).

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4. Overview of the Scheme

4.1 Background

In 2024, Quickstep engaged with various domestic and international strategic parties and financial sponsors, including ASDAM, to gauge interest in an acquisition of the entire share capital of Quickstep. Certain non-exclusive due diligence materials were made available to a number of these parties who also received presentations on the Quickstep business by Quickstep management.

On 7 November 2024, ASDAM announced its intention to make the Proposed Takeover Bid on the following terms:

4.1.1 the Proposed Takeover Bid was for an offer price of $0.40 cash for each Quickstep Share; and

4.1.2 the Proposed Takeover Bid was subject to 3 conditions:

(a) minimum acceptance by 90% of Quickstep Shareholders;

(b) that during the bid period there were no prescribed occurrences; and

(c) the Quickstep Board waiving clause 6 (Standstill) of the Confidentiality Deed between Quickstep and ASDAM.

ASDAM had previously submitted an offer to the Quickstep Board to acquire 100% of the shares in Quickstep by way of a scheme of arrangement under Part 5.1 of the Corporations Act, at a price of $0.43 per Quickstep Share.

Quickstep announced at the time that the Quickstep Board's preliminary view was that the Proposed Takeover Bid did not adequately reflect the value of Quickstep, but that Quickstep was open to continuing constructive discussions with ASDAM.

On 20 December 2024, Quickstep received an improved offer of $0.575 per share from ASDAM and announced that it had entered into the SID with ASDAM under which it is proposed that ASDAM will acquire all of the Quicksteps Shares on issue by way of a scheme of arrangement. The Scheme is subject to a number of Conditions including approval by the Requisite Majorities, that no Quickstep Prescribed Occurrence occurs, Court approval and other customary conditions. The SID contains terms and conditions that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Quickstep's obligation to conduct its business in the ordinary course during the Scheme process.

The key terms of the SID are summarised in Section 9.4. A full copy of the SID is attached to Quickstep's ASX announcement on 20 December 2024, which can be obtained from ASX's website (https://www.asx.com.au/).

Having carefully considered ASDAM's proposal, the Quickstep Directors unanimously recommend that Quickstep Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Quickstep Shareholders.[6]

[6] Quickstep Shareholders should note the interests of Quickstep Directors when considering this recommendation. Details of those interests are set out in Section 9.3.

Subject to these same qualifications, each of the Quickstep Directors intend to vote all the Quickstep Shares held or controlled by them in favour of the Scheme. In forming their unanimous recommendation, the Quickstep Directors carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 1.

4.2 What will happen if the Scheme is implemented?

If the Scheme is approved by Quickstep Shareholders by the Requisite Majorities, is approved by the Court and becomes unconditional, all Scheme Shareholders who hold Quickstep Shares on the Scheme Record Date will participate in the Scheme even if they did not vote or voted against the Scheme.

If the Scheme becomes Effective:

4.2.1 at the close of trading on the Effective Date, Quickstep Shares will cease trading on the ASX;

4.2.2 ASDAM will pay the aggregate Scheme Consideration into a trust account to be held by Quickstep on trust for Scheme Shareholders;

4.2.3 on the Implementation Date:

(a) all Scheme Shares will be transferred to ASDAM (without any need for action by Scheme Shareholders); and

(b) each Scheme Shareholder will receive the Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; and

4.2.4 Quickstep will be removed from the official list of the ASX.

The detailed terms of the Scheme are set out in the SID and the attachments to it. In support of its obligations to provide or procure the provision of the Scheme Consideration under the SID, ASDAM has executed the Deed Poll in favour of Quickstep Shareholders, a copy of which is attached at Annexure 4.

If the Scheme is not approved, then the Scheme will not be implemented, and Quickstep will continue as a stand-alone entity listed on the ASX.

4.3 Scheme Consideration

The Scheme Consideration is $0.575 cash for each Scheme Share. The obligation to pay the Scheme Consideration may be satisfied:

4.3.1 where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the Share Registry to receive dividend payments from Quickstep by electronic funds transfer to a bank account nominated by the Scheme Shareholder, by paying the relevant amount by electronic means in accordance with that election; or

4.3.2 whether or not an election referred to above has been made, by dispatching a cheque for the relevant amount to the Scheme Shareholder by prepaid post to their registered address. In the case of joint holders of Scheme Shares, any cheque

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required to be sent will be made payable and sent to the holder whose name appears first in the Register as at the Scheme Record Date.

4.4 Key steps to implement the Scheme

The key steps to implement the Scheme are:

First court approval	On 5 March 2025, the Court ordered that Quickstep convene the Scheme Meeting for the purposes of the Quickstep Shareholders considering the Scheme.
Scheme Meeting	Quickstep Shareholders will have an opportunity to vote to approve the Scheme at the Scheme Meeting. The Scheme Meeting which will be a virtual only meeting is currently expected to be held on 14 April 2025. It is proposed that the Chair of Quickstep, Patrick Largier will be the chair of the Scheme Meeting. The Scheme needs to be approved by the Requisite Majorities at the Scheme Meeting, which is: (a) at least 75% of the total number of votes cast on the Scheme Resolution (virtually, or by proxy, corporate representative or attorney), where each Quickstep Share carries one vote; and (b) a majority in number (more than 50%) of Quickstep Shareholders present and voting (virtually, or by proxy, corporate representative or attorney) at the Scheme Meeting. The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.
Conditions	As set out in Section 9.4, there are several Conditions which must be satisfied (or waived, although some are not able to be waived) before the Scheme can become Effective. These include approval by Quickstep Shareholders (at the Scheme Meeting), approval by the Court (at the Second Court Hearing) and other customary conditions.
Second court approval (at the Second Court Hearing)	If the Scheme is approved by Quickstep Shareholders by the Requisite Majorities at the Scheme Meeting and the Conditions (other than Court approval) have been satisfied or waived (to the extent able to be waived) Quickstep will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Second Court Date is currently expected to be 16 April 2025, although this may be delayed if there is any delay in satisfying the Conditions. The Court has discretion as to whether to grant orders approving the Scheme (even if it is approved by Quickstep Shareholders by the Requisite Majorities at the Scheme Meeting). If the Court approves the Scheme, Quickstep will take the necessary steps required for the Scheme to be implemented including lodging a copy of the Court order approving the Scheme with ASIC. The Scheme will become Effective upon lodgement of the Court order with ASIC, being the Effective Date, and this will be the last day for trading of Quickstep Shares on the ASX.

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Scheme Record Date	Those Quickstep Shareholders who are recorded on the Register on the Scheme Record Date, being 7.00pm (AET) on the second Business Day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at that time (as recorded on the Register). Dealings in Scheme Shares prior to the Scheme Record Date will only be recognised if: • in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the Scheme Shares on or before 7.00pm on the Scheme Record Date; and • in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm (AET) on the Scheme Record Date at the Share Registry.
Implementation	If the Scheme becomes Effective, the Scheme will be implemented on the Implementation Date (expected to be 7 Business Days after the Scheme Record Date). On the Implementation Date, ASDAM will acquire all the Scheme Shares from Scheme Shareholders and Scheme Shareholders will be paid the Scheme Consideration.

4.5 Implications if the Scheme does not become Effective

If the Scheme is not implemented:

4.5.1 each Scheme Shareholder will continue to hold Quickstep Shares and will be exposed to general risks as well as risks specific to Quickstep, including those set out in Section 7;

4.5.2 Quickstep Shareholders will not receive the Scheme Consideration;

4.5.3 a Target Reimbursement Fee of $412,000 may become payable by Quickstep to ASDAM under certain circumstances. Further information on the Target Reimbursement Fee is set out in Section 9.4.4;

4.5.4 Quickstep will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to the SID Announcement Date;

4.5.5 the price of a Quickstep Share on the ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal; and

4.5.6 the ASIC relief obtained by ASDAM would require ASDAM to formally submit its Proposed Takeover Bid to Quickstep Shareholders (see Section 5.11 for further details).

4.6 Warranty by Quickstep Shareholders

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Quickstep and ASDAM, and appointed and authorised Quickstep as its attorney and agent to warrant to ASDAM, that:

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4.6.1 all of their Scheme Shares are fully paid, free from all Encumbrances and restrictions on transfer of any kind;

4.6.2 they have full power and capacity to sell and transfer their Scheme Shares (together with any rights attaching to those Scheme Shares) to ASDAM pursuant to the Scheme; and

4.6.3 they have no existing right to be issued any Quickstep Shares or any other securities by Quickstep.

4.7 Delisting of Quickstep

Following the implementation of the Scheme, Quickstep will apply for the termination of official quotation of Quickstep Shares on the ASX and for Quickstep to be removed from the official list of the ASX.

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5. Information on Quickstep

5.1 Overview of Quickstep

5.1.1 Overview and history

Quickstep is Australia's leading independent aerospace composite manufacturer, delivering advanced composite solutions for the aerospace, defence, and commercial sectors. Headquartered in Sydney, Quickstep was originally established in 2001 and has been listed on the ASX since 2005.

In 2021, QHL expanded into maintenance, repair, and overhaul services by acquiring the assets of Boeing Australia Component Repairs Pty Ltd in Tullamarine, Victoria, forming Quickstep Aerospace Services (**QAS**). However, QAS operations ceased in October 2024 due to declining customer demand, financial losses, and an unsuccessful divestment process.

QHL also operates an R&D and low-rate production facility for medium and large uninhabited air vehicles (**UAV**) in Geelong, Victoria.

5.1.2 Current operations

Overview

Quickstep specialises in engineering and manufacturing advanced composite solutions, serving global defence, commercial aerospace, and other specialty sectors. Its core capabilities include:

a) **aerospace & defence:** manufacturing composite components for advanced defence aircraft, including the F-35 and C-130;

b) **UAV and urban air mobility** (**UAM**): low-rate production of medium and large UAVs and some components for UAM;

c) **space:** manufacturing space structures and hypersonic components; and

d) **engineering services:** offering design for manufacture, prototyping to production, and development of proprietary products and sub-systems.

From an operational standpoint, Quickstep's current operations are split into the following divisions: 'Structures', 'Engineering & Development (Drones)' and 'Corporate'.

As of 31 December 2024, Quickstep employed 209 people, primarily based at its main production facility in Bankstown, New South Wales, with a smaller team operating at its site in Geelong, Victoria.

Excluding the performance of the discontinued QAS division, aerospace and defence accounted for 97% of Quickstep's revenue for *FY24*, with the balance of Quickstep's *FY24* revenue (3%) derived from low-rate UAV production.

Structures division

Quickstep's Structures division generates revenue via the manufacture of composite components for aerospace and defence aircraft applications. These parts are ultimately sold to major defence companies under long-term contracts.

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These contracts are underpinned by agreed pricing and volumes for each production lot, with each contract comprised of multiple lots across the life of the contract. The Structures division operates out of Quickstep's Bankstown production facility.

An overview of Quickstep's major customers and key products within the Structures division is provided below:

Customer	Key products / overview
Lockheed Martin	Wing flaps for the C-130J Super Hercules defence aircraft, as well as the LM-100 commercial variant. Quickstep has recently negotiated volumes and pricing for the post-MYIII contract, covering deliveries from February 2025 to December 2029, which include increased pricing effective from February 2025.
Northrop Grumman	Multiple fuselage components for the F-35. Purchase orders have been received up to lot 20, underpinning stable volumes through to FY27.
Marand Precision Engineering (division of ASDAM)	Vertical tails for the F-35. The latest agreed production lot includes pricing adjustments effective from September 2024, extending to June 2026.

Quickstep received notification of reduced customer demand early in 2024, as a result of excess inventories in the global supply chain. In response, Quickstep announced a restructure of the Structures division in June 2024, which incorporated an optimisation of its operating model. The change in production model involved a reduction in production and support employees, and transition from 3-shift to 2-shift model. This has ultimately led to enhanced operating efficiencies within the division, and a process that better matches customer demand.

Engineering & Development (Drones) division

Quickstep's Engineering & Development division was formally launched in 2021, and operates out of the Geelong facility. The division is engaged in the development of advanced UAV systems, catering to various applications including surveillance and transport. Quickstep's drone customers serve sectors including security, commercial industries (agriculture, infrastructure inspection etc.) and defence (surveillance, reconnaissance missions etc.).

Manufacture of Quickstep's drones involves its patented 'AeroQure' process. This process differs from traditional autoclave composite curing techniques by applying heat and pressure via a heat transfer fluid. The process ultimately results in significant cost savings via reduced cure cycles and energy consumption, lower setup costs and enhanced design flexibility.

Quickstep's key customers have included Swoop Aero and Carbonix, focused on production of drones for cargo and commercial / military applications respectively. Swoop Aero and Carbonix are both early-stage customers that have faced challenges in establishing their business models. Accordingly, despite multiple contract wins, it has been difficult for Quickstep to secure ongoing order volumes and timely payments. Swoop Aero entered into liquidation during 2024.

Notwithstanding the challenges faced by some of Quickstep's key drone customers, the division undertakes broader research & development activities as part of various partnerships.

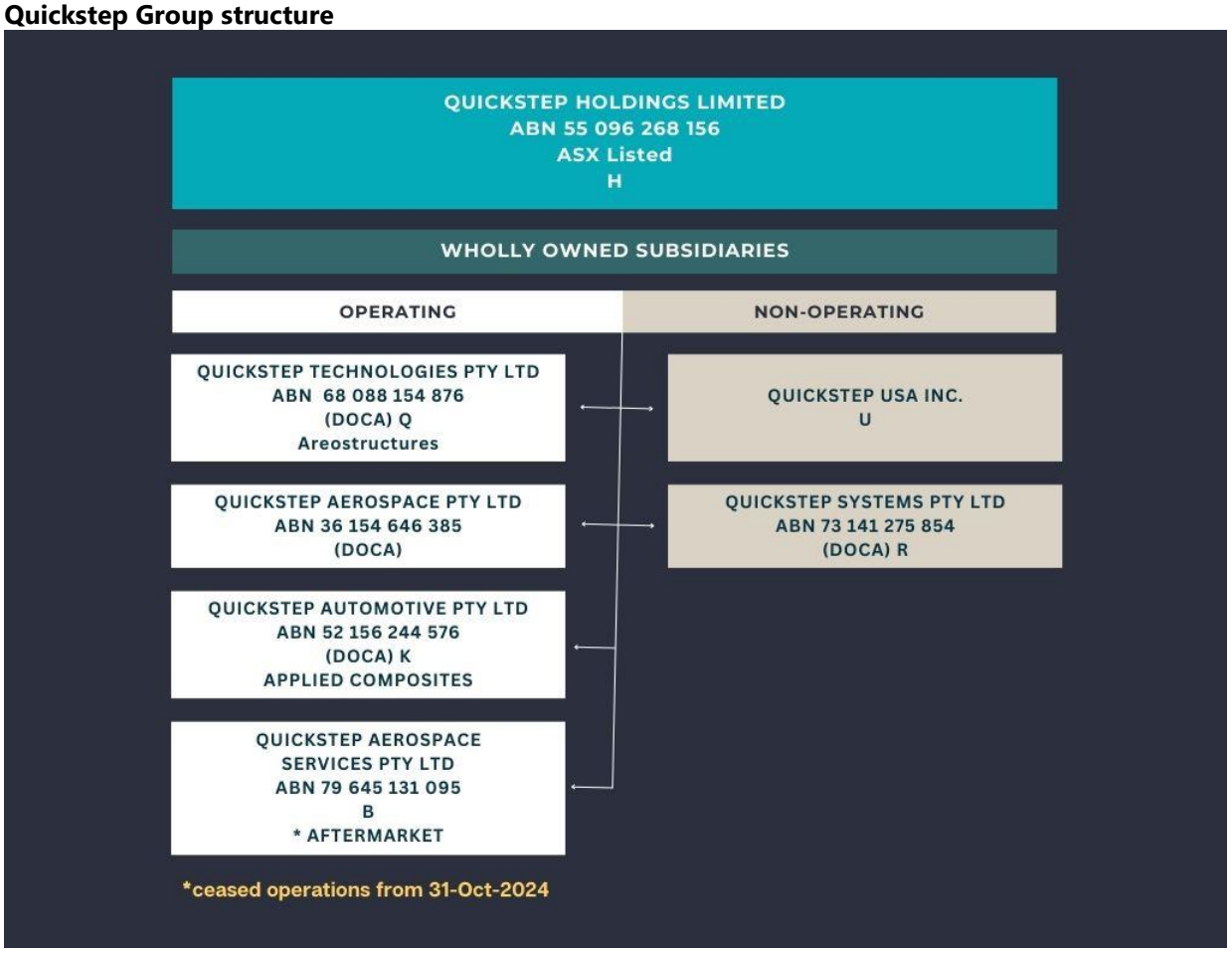
Most recently, this involved an announcement to enhance the Geelong facility to support prototyping for drone components, in-part funded by a grant from the Commonwealth Department of Science, Industry and Resources (announced in June 2024).

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Corporate division

Quickstep's Corporate division involves the group's administration (including finance, human resources etc.), management, and broader research and development operations. The division ultimately provides the administrative oversight of Quickstep, supporting the governance and strategic direction of the company.

5.1.3 Quickstep Group structure



Group Structure as at 9 November 2024

5.2 Quickstep Strategic Direction

Quickstep's current strategy involves the strengthening of its core Structures division, while expanding its reach through broader stakeholder relationships. Key areas of focus include:

- **guided weapons and explosive ordinance** (**GWEO**): collaborating with the Australian government and global primes to advance local manufacturing capabilities for GWEO;
- **air mobility & space:** driving growth and innovation in air mobility and space programs; and
- **engineering:** developing next-generation, scalable products and solutions to address evolving operational requirements.

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5.3 Directors and senior management

5.3.1 Quickstep Board

Board	Experience
 **Patrick Largier** Chair and Non-Executive Director	Mr Largier joined the Quickstep Board in December 2019 as an experienced non-executive director, with over 30 years' executive experience in the oil, chemicals and industrial sectors in Australia, the United Kingdom and South Africa. Prior to taking up non-executive director roles, he was managing director of Ludowici, an ASX-listed global specialist mining services company with operations across five continents, which was ultimately sold to the Danish group FLSmidth in 2012. He then became managing director of FLSmidth Pty Limited for two years. Before this, Mr Largier spent 15 years in numerous business manager roles, including at ICI, Orica's Plastics and Chemicals Groups, following 10 years with Shell and Shell International, in Cape Town and London respectively. Mr Largier is currently a non-executive director and chair of several private companies across a range of industries. Mr Largier has a chemical engineering degree (with honours) from the University of Cape Town, and completed the advanced management program at Harvard Business School in 2004. He is also a graduate of the Australian Institute of Company Directors.
 **Elisabeth Mannes** Non-Executive Director	Mrs Mannes joined the Quickstep Board in August 2019 as a highly experienced C-Suite executive, with a career spanning the fast-moving consumer and industrial goods industries. Mrs Mannes was most recently Executive General Manager of CHEP Australia Limited, a wholly owned subsidiary of Brambles Limited (ASX: BXB), having retired in January 2023. Prior to joining CHEP, she was Executive General Manager of the consumer and industrial division of Pact Group Holdings (ASX: PGH), following her role as operations and business development director of Tip Top, a division of George Weston Foods, which is a wholly owned subsidiary of Associated British Foods (LSE: ABF). Mrs Mannes is currently a non-executive director of PeopleIN Ltd (ASX: PPE) and was a founder board member of the National Association of Women in Operations. Mrs Mannes is a Chartered Engineer and a Fellow of the UK Institution of Mechanical Engineers. She holds an MBA, completed the Advanced Management Programme at INSEAD, and is a graduate of the Australian Institute of Company Directors.

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Air Vice Marshal Kym Osley (Ret'd) AM, CSC

Non-Executive Director

Mr Osley joined the Quickstep Board in June 2020, and has over 48 years of defence and aerospace experience, including a previous role as the Program Manager of the Australian F-35 Joint Strike Fighter Program.

Mr Osley retired in 2021 from his full-time position as a Managing Director in an international consulting firm, working with government and defence clients to take up board positions and private consulting work. He continues to directly support defence through his active air force reserve role as a two-star officer. Mr Osley has also held various defence-related roles in the UK and the US. He was awarded a defence industry service commendation by the Minister for Defence Industry in 2019. Earlier in his military career, Kym was an aviator who flew in F-111, Phantom and F-18 aircraft with the RAAF and USAF. He was awarded a conspicuous service cross in 1997 and was made a Member of the Order of Australia in 2008 for services to Defence.

Mr Osley is currently the Chair of the Australian Air Force Cadet Foundation and is a non-executive director of PWR Holdings Limited (ASX: PWH).

Mr Osley has a bachelor of science (physics), master of arts (international relations), and a master of defence studies. He is also a graduate of the Harvard Business School 2008 Advanced Management Program, the Australian Institute of Company Directors, is a Fellow of the Centre for Defence and Strategic Studies and a Fellow of the Australian Institute of Navigation.

5.3.2 Quickstep senior management

Name	Current Position
Demi Stefanova	Interim Chief Executive Officer
Martyn Dominy	Interim Chief Financial officer
Sarah Hart	Head of People & Culture
Josh Scanlon	Head of New Programs
Luke Preston	Head of Development Engineering
Michael Gillam	Commercial Manager
Michael Baker	Operations Manager
Matthew Cwyk	Operational Excellence Manager

5.4 Historical financial information

5.4.1 Basis of preparation

This section presents a summary of financial information in relation to Quickstep for the purpose of this Scheme Booklet. The information has been extracted from Quickstep's audited financial statements for the financial years ended 30 June 2023 and 2024, and the reviewed financial statements for the half year ended 31 December 2024.

The financial information contained in this section is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in the annual report prepared in accordance with the Corporations Act. The financial information has not been subject to further review by an independent accountant. This financial information should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Further details on Quickstep's financial performance including its financial statements for FY24 set out in the 2024 Annual Report announced to the ASX on 31 October 2024 can be found on the ASX website (https://www.asx.com.au/) or the Quickstep website (https://www.quickstep.com.au).

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5.4.2 Statement of Profit or Loss and Other Comprehensive Income

Set out below is Quickstep's statement of comprehensive income for the financial years ended 30 June 2023, 2024 and half year ended 31 December 2024.

Quickstep Consolidated Statement of Profit or Loss and Other Comprehensive Income ***$'000s***	**FY23**	**FY24**	**1HFY25**
Revenue	89,046	88,970	37,982
Cost of sales of goods	(75,787)	(74,741)	(29,734)
Gross profit	13,259	14,229	8,248
Other income	111	487	-
Research and development expenses	(901)	(2,268)	(1,096)
Business development expenses	(1,239)	(1,092)	(192)
Corporate and administrative expenses	(9,715)	(10,399)	(5,189)
Impairment expense	-	-	(437)
Profit from operating activities	1,515	957	1,334
Finance income	36	52	14
Finance expenses	(2,766)	(1,729)	(1,440)
Net finance costs	(2,730)	(1,677)	(1,426)
Loss before income tax	(1,214)	(720)	(92)
Income tax benefit / (loss)	478	(361)	(458)
Loss after income tax expense from continuing operations	(737)	(1,081)	(550)
Loss after income tax expense from discontinued operations	(4,973)	(3,690)	(6,451)
Loss for the period	(5,710)	(4,771)	(7,001)
Other comprehensive income / (loss) net of income tax			
Item that may be reclassified to profit or loss			
Cash flow hedges	492	148	(294)
Change in fair value of equity investments at FVOCI	-	-	(3,044)
Exchange difference on translation of a foreign operation	(193)	(8)	(58)
Other comprehensive income / (loss) for the period, net of income tax	299	140	(3,396)
Total comprehensive income / (loss) for the period	(5,410)	(4,631)	(10,397)

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5.4.3 Consolidated Statement of Financial Position

Set out below is Quickstep's statement of financial position as at 30 June 2023, 30 June 2024 and half year ended 31 December 2024.

Quickstep Consolidated Balance Sheet ***$'000s***	**FY23**	**FY24**	**1HFY25**
ASSETS			
Current assets			
Cash and cash equivalents	5,611	5,263	8,850
Trade and other receivables	12,297	10,661	3,043
Prepayments and other assets	1,715	1,308	834
Financial Instruments	-	66	-
Inventories	12,902	8,729	9,096
Contract assets	11,158	11,508	12,818
Assets of disposal groups classified as held for sale	-	8,303	3,397
Total current assets	43,683	45,838	38,038
Non-current assets			
Property, plant and equipment and software	11,819	9,131	8,738
Right-of-use asset	13,649	10,194	10,245
Investments	3,044	3,584	541
Deferred tax asset	5,530	5,149	4,817
Total non-current assets	34,042	28,058	24,341
Total assets	77,725	73,896	62,379
LIABILITIES			
Current liabilities			
Trade and other payables	13,489	8,953	7,542
Provisions	-	1,608	700
Financial instruments	101	-	353
Loans and borrowings	1,200	12,100	11,800
Contract liabilities	8,868	13,340	15,867
Lease liabilities	1,856	1,421	1,649
Employee benefit obligations	2,046	2,828	2,383
Liabilities directly associated with assets classified as held for sale	-	4,020	3,598
Total current liabilities	27,560	44,270	43,892
Non-current liabilities			
Loans and borrowings	12,100	-	-
Lease liabilities	15,697	12,632	12,517
Provisions	3,448	3,189	3,189
Employee benefit obligations	1,702	960	562
Total non-current liabilities	32,947	16,781	16,268
Total liabilities	60,507	61,051	60,160
Net assets	17,218	12,845	2,219
EQUITY			

Share capital	120,785	120,785	120,785
Reserves	6,683	7,081	3,456
Accumulated losses	(110,250)	(115,021)	(122,022)
Total equity	17,218	12,845	2,219

5.4.4 Consolidated Statement of Cash Flows

Set out below is Quickstep's statement of consolidated cash flows for the financial years ended 30 June 2023, 2024 and half year ended 31 December 2024.

Quickstep Consolidated Statement of Cash Flows ***$'000s***	**FY23**	**FY24**	**1HFY25**
Cash flow from operating activities			
Cash receipts in course of operations	101,062	106,480	50,861
Interest received	39	60	17
Interest paid	(939)	(964)	(562)
Cash payments in the course of operations	(98,255)	(102,140)	(45,414)
Net cash from operating activities	**1,907**	**3,436**	**4,875**
Cash flows from investing activities			
Acquisition costs of plant and equipment and intangible assets	(890)	(454)	(328)
Disposal of plant and equipment and intangible assets	10	13	20
Proceeds from customer and government funding of capital works	482	1,237	-
Receipts/(payments) for term deposit	891	-	-
Net cash (used in) investing activities	**493**	**796**	**(308)**
Cash flows from financing activities			
Proceeds from / (repayments of) borrowings	18,600	(107)	-
Repayment of borrowings	(15,146)	(1,200)	(300)
Repayment of lease liabilities	(2,790)	(2,869)	(1,586)
Payment of borrowing costs	(47)	-	-
Net cash (used in) / from financing activities	**617**	**(4,176)**	**(1,886)**
Net (decrease) / increase in cash and cash equivalents	3,018	56	2,681
Cash and cash equivalents at the beginning of the period	3,021	5,611	5,853
Cash and cash equivalents at the end of the period - Assets of disposal groups classified as held for sale	-	(589)	(133)
Effects of exchange rate changes on cash and cash equivalents	(429)	185	449
Cash and cash equivalents at the end of the period	**5,611**	**5,263**	**8,850**

5.4.5 Material uncertainty relating to going concern

In Quickstep's results for the half year ended 31 December 2024, which were announced to the ASX on 24 February 2025, the auditors noted the existence of a material uncertainty that may cast doubt about Quickstep's ability to continue as a going concern.

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For more information, please refer to the Independent Auditors Review Report and Note A2 of Quickstep's report for the half year ended 31 December 2024.

5.4.6 Material changes in Quickstep's financial position

To the knowledge of the Quickstep Directors, the financial position of Quickstep has not materially changed since 31 December 2024, as reported in the half year financial report of Quickstep for that period, other than:

(a) as disclosed in the Scheme Booklet or as otherwise disclosed to the ASX by Quickstep; and

(b) in accordance with generally known market conditions.

An electronic copy of the financial report of Quickstep for the half year ended 31 December 2024 is available on the ASX's website www.asx.com.au under ASX code 'QHL' or on Quickstep's website.

5.5 Capital Structure

5.5.1 Quickstep Shares on issue and Quickstep Substantial Shareholders

As at the Last Practicable Date, Quickstep had the following shares on issue:

Type of security	Number on issue
Ordinary Shares	71,726,214

5.6 Recent Quickstep Share price performance

The closing price for Quickstep Shares on the ASX on 6 November 2024 (being the last trading day before the announcement of the Proposed Takeover Bid) was $0.195 per Quickstep Share.

The closing price for Quickstep Shares on the ASX on 19 December 2024 (being the last trading day prior to the SID Announcement Date) was $0.395 per Quickstep Share.

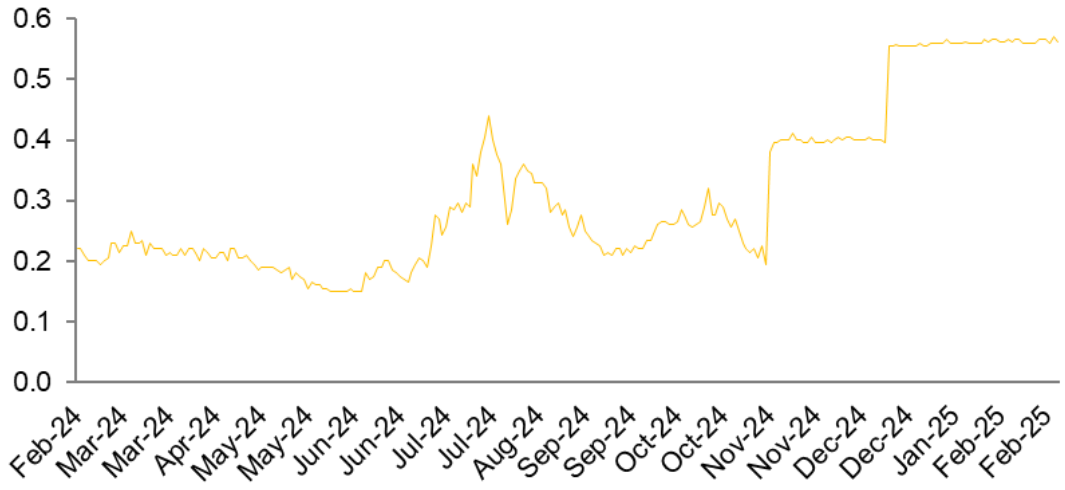
On the Last Practicable Date, being 26 February 2025, the closing price of Quickstep Shares on the ASX was $0.563.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Quickstep Shares on the ASX were, respectively, $0.570 on 25 February 2025 and $0.395 on 19 December 2024.

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Quickstep Share price performance to Last Practicable Date



The chart above shows the closing Quickstep Share price during the twelve months ended 26 February 2025 (being the Last Practicable Date).

Set out below is the VWAP of Quickstep Shares for various periods up to and including the Last Practicable Date as well as the premiums of the Scheme Consideration relevant to these figures:

	10 Days	**20 days**	**30 days**	**90 days**
VWAP	$0.564	$0.564	$0.564	$0.530
Premium of Scheme Consideration relative to VWAP	2%	2%	2%	9%

The Quickstep Share prices given above should not be taken as being an indication of the likely Quickstep Share price if the Scheme does not become Effective and the Quickstep Shares remain listed on the ASX.

The current price of Quickstep Shares on the ASX can be obtained from the ASX website (www.asx.com.au).

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5.7 Substantial Quickstep Shareholders

Based on information lodged with the ASX (or otherwise known to the Company) as at the Last Practicable Date, Quickstep had the following substantial shareholders:

Name	Quickstep Shares in which the substantial shareholder has a relevant interest	% of total Quickstep Shares on issue	Date of last substantial shareholder notification
Harvest Lane Asset Management Pty Ltd (**Harvest Lane**)	13,126,164	18.30%	7 February 2025[7]
AustralianSuper Pty Ltd	7,457,298	10.40%	23 September 2019[8]

On 27 February 2025, after the Last Practicable Date, Harvest Lane lodged a further notice of change of interests of substantial holder with the ASX indicating that it had a relevant interest in 14,023,236 Quickstep Shares, representing 19.55% of the Quickstep Shares on issue.

5.8 Top Quickstep Shareholders

As at the Last Practicable Date, the top 10 Quickstep Shareholders are:

Quickstep Shareholder	Number of Quickstep Shares held	Percentage of issued Quickstep Shares
BNP PARIBAS NOMS PTY LTD	8,294,008	11.56%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,457,298	10.40%
PALM BEACH NOMINEES PTY LIMITED	4,342,248	6.05%
DEAKIN UNIVERSITY	3,333,334	4.65%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,603,451	3.63%
CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	2,600,000	3.62%
SANDHURST TRUSTEES LTD <CYAN C3G FUND A/C>	1,721,210	2.40%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,004,491	1.40%
EXWERE INVESTMENTS PTY LTD <EXWERE SUPER FUND A/C>	840,000	1.17%

[7] The Quickstep Shares in which Harvest Lane has a relevant interest are held by BNP Paribas Nominees Pty Ltd and Palm Beach Nominees Pty Ltd as nominees for Harvest Lane.
[8] The relevant Quickstep Shares in which AustralianSuper Pty Ltd has a relevant interest are held by JP Morgan Nominees Pty Ltd as nominee for AustralianSuper Pty Ltd.

Quickstep Shareholder	Number of Quickstep Shares held	Percentage of issued Quickstep Shares
CITICORP NOMINEES PTY LIMITED	665,439	0.93%

5.9 Quickstep Directors' voting intentions

Quickstep Directors have considered the proposed Scheme and unanimously recommend that Quickstep Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to an Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders. Subject to these same qualifications, each of the Quickstep Directors intends to vote, or procure the voting of, all Quickstep Shares that they hold or control in favour of the Scheme.

5.10 Intentions regarding the continuation of Quickstep's business

If the Scheme is implemented, it is for the reconstituted Quickstep Board to determine its intentions as to:

5.10.1 the continuation of the business of the Quickstep Group;

5.10.2 major changes, if any, to be made to the business of the Quickstep Group; or

5.10.3 any future employment of the present employees of the Quickstep Group.

The current intentions of ASDAM with respect to these matters are set out in section 6 of this Scheme Booklet.

If the Scheme is not implemented, the Quickstep Directors intend to continue to operate Quickstep in the ordinary course of business, including with respect to the matters set out above, and for Quickstep to remain listed on the ASX.

5.11 Proposed Takeover Bid

On 7 November 2024, ASDAM announced its formal intention to make the Proposed Takeover Bid, subject to certain conditions.

Under the rules associated with takeover offers, ASDAM would ordinarily be obliged to make offers to Quickstep Shareholders in accordance with its Proposed Takeover Bid within 2 months of its announcement. However, ASDAM obtained conditional relief from ASIC in respect of this obligation. Under the terms of the relief, granted by ASIC on 20 December 2024, ASIC has allowed Quickstep and ASDAM time for the Scheme to be considered and implemented (if approved by Quickstep Shareholders and the Court, and if all Conditions are satisfied or (if permitted) waived). However, ASDAM is required to make offers to Quickstep Shareholders on the same or substantially no less favourable terms than those outlined in the announcement of its Proposed Takeover Bid within 1 month of Quickstep or ASDAM announcing the Scheme will not otherwise proceed, or if orders from the Second Court Hearing approving the Scheme are not lodged with ASIC by 20 May 2025.

Accordingly, if the Scheme is not implemented ASDAM will be required to issue a bidder's statement to Quickstep Shareholders (**Bidder's Statement**) which contains an offer which must be on terms that are the same as, or not substantially less favourable than, the Proposed Takeover Bid. No later than 15 days after the Bidder's Statement is despatched to Quickstep

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Shareholders, Quickstep will be required to despatch a 'target statement' to Quickstep Shareholders which sets out the Quickstep Directors' recommendation on whether to accept the Proposed Takeover Bid.

An offer made by ASDAM in its Bidder's Statement under its Proposed Takeover Bid to Quickstep Shareholders will be on terms that are significantly less favourable than the Scheme, unless ASDAM determines to improve the current consideration of $0.40 per Quickstep Share offered under the Proposed Takeover Bid.

On the assumption that ASDAM determines not to improve the current consideration under the Proposed Takeover Bid, the current intention of the Quickstep Directors is to recommend that Quickstep Shareholders not accept any offer made under the Proposed Takeover Bid, based on its comparative inferiority to the Scheme and the valuation of Quickstep Shares by the Independent Expert of being in the range of $0.44 to $0.59, among other reasons.

Any possible alternative pathway which the Quickstep Board may seek to pursue following the Scheme not being implemented will be done so concurrently with Quickstep defending against the Proposed Takeover Bid. Accordingly, the Proposed Takeover Bid would weigh on any attempt by Quickstep to pursue an alternative pathway to maximise value for Quickstep Shareholders and cause Quickstep to incur additional costs.

5.12 Quickstep's publicly available information for inspection

Quickstep is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Quickstep to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market.

Once Quickstep becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of a Quickstep Share, Quickstep must (subject to limited exceptions) immediately notify the ASX of that information.

Additionally, ASIC maintains a record of documents Quickstep has lodged with it, which may be obtained or inspected at any office of ASIC.

Publicly disclosed information about all ASX-listed entities, including Quickstep, is available on the ASX website at https://www.asx.com.au.

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6. Information on ASDAM

6.1 Introduction

This section contains information about ASDAM. The information in relation to ASDAM has been prepared by ASDAM as at the date of the Scheme Booklet.

6.2 Overview of ASDAM

6.2.1 Principal business, operations and history of ASDAM

ASDAM is a leading Australian sovereign defence and advanced manufacturing group. It includes Marand, TAE Aerospace, Rosebank Engineering and Levett Engineering. ASDAM operates from 16 locations across both Australia and the United States with its principal place of business being 151-153 Keys Road Moorabbin, Victoria 3189.

ASDAM provides end-to-end capability across design, engineering, manufacturing, assembly and sustainment.

6.2.2 Board of ASDAM

The members of the board of directors of ASDAM as at the date of this Scheme Booklet are:

Name	Position
Rohan Stocker	Director
John Haddock	Director
Alice Hua	Director
Andrew Sanderson	Director
Ian Rodgers	Director and Secretary

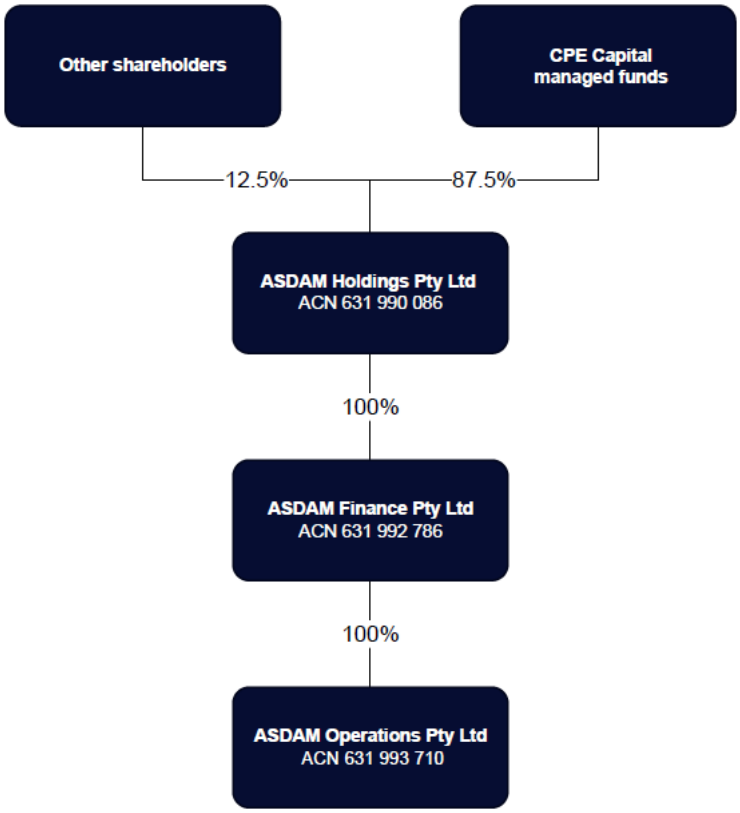
6.2.3 ASDAM structure and ownership

ASDAM is an unlisted private Australian company that was incorporated on 1 March 2019. All of the shares in ASDAM are indirectly owned by ASDAM Holdings and will continue to be so held on and from the Implementation Date. If the Scheme becomes Effective, ASDAM will hold all of the Quickstep Shares on the Implementation Date.

ASDAM Holdings is majority (87.5%) held and controlled by the CPEC 8 Fund Entities, with the remaining shares held by individuals (12.5%) associated with the ASDAM business. The CPEC 8 Fund Entities are advised and managed by CPE Capital.[9]

The ownership structure of ASDAM as at the date of this Scheme Booklet is illustrated in the diagram below.

[9] These percentages reflect voting shares.



6.3 CPE Capital

CPE Capital is one of Australasia's most experienced private equity managers, having first raised institutional capital more than 30 years ago. Since its inception in 1987, it has raised A$5 billion for private equity investment, completed over 80 platform investments and has a record of consistently delivering returns across all investment cycles.

CPEC has one of the largest dedicated investment teams in Australasia, with 16 investment professionals including in-house functional experts across legal, risk, accounting, finance, capital raising and data analytics. Currently CPEC is investing its 9th fund and has portfolio companies including ASDAM, Banksmeadow Recycling, Adventure Online, Modus Projects and Ambrose Construct Group.

6.4 Rationale for proposed acquisition of Quickstep

The proposed acquisition of Quickstep is consistent with ASDAM's strategic objectives of continuing to expand its sovereign capability and increase the breadth of service it can provide to its customers, who include defence primes, commercial clients, governments and defence forces.

Composite capability is incremental to the current capabilities of the ASDAM Group.

ASDAM is also currently one of Quickstep's largest customers on the F-35 program.

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6.5 ASDAM's intentions for Quickstep if the Scheme is implemented

6.5.1 Introduction

This section sets out ASDAM's present intentions only with respect to the Quickstep Group if the Scheme is implemented, and is based on the information concerning the Quickstep Group and the general business environment which is known to ASDAM at the time of preparation of this Scheme Booklet.

If the Scheme is implemented, ASDAM intends to undertake a detailed review of Quickstep's operations, covering strategic, financial and commercial operating matters. Final decisions about the future operating plan and management organisation for Quickstep will be made following the completion of such review, and will be based on the facts and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of present intention and may change as new information becomes available, or as circumstances change.

Based on the facts and information concerning both Quickstep and the general business environment that are known to ASDAM at the time of preparation of this Scheme Booklet, ASDAM's current intentions if the Scheme proceeds are detailed below.

6.5.2 Business operations

Subject to the findings of the post-acquisition review referred to above, ASDAM's intention is to continue to operate Quickstep consistent with management's business plan, including actively pursuing growth opportunities available to Quickstep.

6.5.3 Quickstep Board

ASDAM's intention is to reconstitute the Quickstep Board and the board of each Quickstep Subsidiary, such that the current directors will be replaced, with effect on and from the Implementation Date. At the date of this Scheme Booklet, the post-acquisition composition of the Quickstep Board and the board of each Quickstep Subsidiary has not been confirmed.

6.5.4 Management team and employees

ASDAM considers Quickstep's employees to be critical to the future success of the business and ASDAM intends to assist management with continuing to implement their strategic plans for the business.

Working with Quickstep's senior management, ASDAM will review Quickstep's operations and organisational structure, to ensure the business has the resources to enable the business to pursue growth opportunities.

6.5.5 Delisting

All of the Quickstep Shares will be held by ASDAM, and it is intended that the quotation of Quickstep Shares on the ASX will be terminated and Quickstep will be removed from the official list of the ASX on a date after the Implementation Date to be determined by ASDAM.

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6.5.6 Constitution

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

6.6 Funding of the Scheme Consideration

If the Scheme is implemented, Scheme Shareholders will receive $0.575 cash for each Scheme Share they hold as at the Scheme Record Date. The maximum amount payable by ASDAM if the Scheme is implemented is estimated to be approximately $41.2 million, based on Quickstep's issued share capital as at the date of the Scheme Booklet.

ASDAM intends to fully fund payment of the aggregate Scheme Consideration using existing cash reserves and the drawdown of existing debt facilities available to it. The Scheme is not subject to any financing condition precedent.

As at 30 June 2024 (being the last day of the last financial year for which ASDAM has audited financial statements), ASDAM had available cash at bank and on deposit with an aggregate value of approximately $67 million and unused banking financing facilities available of approximately $50 million.

6.7 No other material information

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

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7. Investment Risk | What if the Scheme is not implemented?

7.1 Introduction

The Scheme presents a number of potential risks that Quickstep Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

This Section outlines some of the:

7.1.1 risk factors relating to the business and operations of Quickstep, including your current investment in Quickstep Shares (see Sections 7.2 and 7.3); and

7.1.2 Scheme-related risk factors which may prevent the Scheme from becoming Effective (see Section 7.4).

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration and, from implementation of the Scheme, will cease to be Quickstep Shareholders and will no longer be exposed to the risks set out in Sections 7.2 and 7.3.

If the Scheme is not implemented, Quickstep Shares will remain quoted on the ASX and all Quickstep Shareholders will continue to be subject to the risks in Sections 7.2 and 7.3.

The outline of risks in this Section 7 is a summary only and should not be considered exhaustive. This Section 7 does not purport to list every risk that may be associated with an investment in Quickstep now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 7 may be partially or completely outside the control of Quickstep and ASDAM or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Quickstep Shareholders. You should carefully consider the risk factors discussed in this Section 7, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

7.2 General investment risks

If the Scheme does not become Effective, Quickstep Shares will be influenced by a number of macroeconomic factors including:

7.2.1 changes in investor sentiment and overall performance of the Australian and international stock markets;

7.2.2 changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, wage rates, property markets including rising building costs, house prices and residential supply and demand, population growth, retail sales and consumer demand;

7.2.3 changes in government fiscal, monetary and regulatory policies, including foreign investment and immigration;

7.2.4 the impact of rising rates of inflation globally;

7.2.5 natural disasters and catastrophes, whether on a global, regional or local scale;

7.2.6 acts of war and hostilities (including the Russia-Ukraine conflict which remains ongoing as at the date of this Scheme Booklet), acts of terrorism, civil disturbance and other force majeure risks; and

7.2.7 accounting standards which affect the financial performance and position reported by Quickstep.

7.3 Specific risks for the Quickstep Business and operations

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which Quickstep operates, which could materially and adversely affect the future operating and financial performance of Quickstep.

Many of these risks are currently relevant to Quickstep Shareholders and will continue to be relevant to Quickstep Shareholders if the Scheme does not become Effective and you retain your current investment in Quickstep.

While Quickstep has in place what it considers are appropriate policies and procedures to help manage these risks, there is no guarantee that Quickstep will be able to manage these risks completely. Furthermore, certain aspects of these risks (or Quickstep's ability to respond to and manage them) may be partially or wholly outside of Quickstep's control.

7.3.1 Current performance and growth

Quickstep's financial performance has recently improved, following the successful implementation of the restructure within its core aerospace & defence division, and exit of QAS. Quickstep's current long-term contracts for the F-35 and C-130 programs now account for materially all of Quickstep's revenue. While these contracts provide stable and mature revenue streams, the underlying programs will eventually conclude as next generation platforms emerge. Though pricing and volumes are fixed for current production lots in the medium-term, those for subsequent lots (under the same contracts) are subject to negotiation and may accordingly result in reduced revenues and profitability.

Growth in the aerospace market relevant to Quickstep is primarily driven by the needs of international and Australian defence customers. Quickstep is actively engaging with numerous stakeholders, including key defence customers, in pursuit of additional revenue streams and ultimately a more diversified revenue base. While Quickstep is confident that it will be successful in diversifying its revenue base, it is yet to secure alternate contracts of sufficient magnitude to 'replace' its current major programs when they conclude.

7.3.2 Local industry outlook

Defence strategies, both in Australia and globally, are increasingly focused on emerging and disruptive technologies, such as guided weapons and UAVs. Quickstep has identified these areas as key growth opportunities, which align with the Australian Defence Force's priorities. However, these markets are highly competitive, requiring strategic positioning and innovation to succeed.

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7.3.3 **Supply chain cost inflation**

Global and domestic inflationary pressures have been and continue to be a strong theme within the aerospace and defence manufacturing sector. Along with direct inflation impacts, the absence of alternative suppliers in some cases exposes Quickstep to potential price increases and production disruptions. Tight management of the supply chain, along with price negotiations has largely mitigated disruptions to date, however a degree of risk remains.

7.3.4 **Change in US government**

The majority of Quickstep's manufactured goods are exported to the US Department of Defence. The recent change in the US federal government may see tariffs imposed on businesses and government agencies importing foreign manufactured goods into the US and/or a decrease in funding for certain government departments, such as the Department of Defence. Either of these two outcomes has the potential to disrupt the demand for goods manufactured by Quickstep, including under the current F-35 and C-130 programs.

7.3.5 **Political and regulatory environment risk**

Quickstep's business is influenced and affected by laws, regulations and government policy. Political and / or regulatory change, and Quickstep's ability to comply with regulations, could enable or inhibit Quickstep's business objectives.

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

(a) limiting or removing authority / licences to operate;

(b) changing how a business operates; and/or

(c) altering resource requirements, operating efficiency and profitability.

7.3.6 **Equipment failure**

An extended failure of critical equipment has the potential to disrupt production. Any such disruptions are likely to adversely impact Quickstep's financial position and its ability to manufacture finished goods, with potential for further negative impacts arising from potential damage to customer relationships and / or Quickstep's reputation with broader stakeholder groups.

Preventative maintenance programmes, including the major overhaul of key assets, monitoring tools, critical spares stock and equipment supplier support arrangements, are in place to mitigate this risk.

7.3.7 **Flooding**

The area of Bankstown, New South Wales, where Quickstep's core business operations are located, is susceptible to localised flooding from nearby tributaries. Whilst historical water egress on the site itself has been minimal, employee access to the site has been impacted for periods of time, which has the potential to disrupt production.

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7.3.8 Reliance on key personnel

Quickstep currently employs a number of executive and non-executive key management personnel, and Quickstep's future success depends on retaining and attracting suitably qualified personnel. There is significant competition for qualified staff in the Defence sector in Australia, and the loss of any such key management personnel could have the potential to detrimentally impact on Quickstep, until the skills which are lost are adequately replaced. There is no guarantee that Quickstep would be able to replace such personnel, and a failure to do so could materially affect Quickstep's business, operating results and financial prospects.

7.3.9 Cashflow risk and liquidity

Quickstep's ability to service its debt and other obligations depends on the future performance and cash flow of its business, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond Quickstep's control.

Any inability to secure sufficient debt funding (including to refinance on acceptable terms), or to service its existing and new debt, may have a material adverse effect on Quickstep's financial performance and prospects.

In Quickstep's results for the half year ended 31 December 2024, which were announced to the ASX on 24 February 2025, the auditors noted the existence of a material uncertainty that may cast doubt about Quickstep's ability to continue as a going concern. For more information, please refer to the Independent Auditors Review Report and Note A2 of Quickstep's report for the half year ended 31 December 2024.

7.3.10 Intellectual property

Quickstep regards its patents, copyrights, trademarks, trade secrets and similar intellectual property as important. Quickstep relies on patent trademark and copyright law, trade secret protection and duties of confidence with third parties to protect its intellectual property rights. While Quickstep will use all reasonable endeavours to protect these rights, the steps that Quickstep takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have adverse effects on the operation and financial performance of Quickstep.

7.3.11 Technology and information systems

Quickstep's operations are heavily reliant upon technology and information systems provided by third parties, including software. The ongoing performance of such systems and software is key to Quickstep's product and service delivery to its clients, and therefore, Quickstep's ability to generate revenue. Failure of either the software or the technology that underpins it, including via unauthorised use of systems, data integrity issues, data loss, or issues with integration with other systems, could result in Quickstep being unable to meet its contractual obligations.

Quickstep must maintain a high level of cyber security and IT system security to be awarded defence contracts, and any perceived failure from a security or cyber perspective can lead to a loss of defence manufacturing accreditation.

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Quickstep has business continuity and disaster recovery plans in place, in seeking to mitigate the potential impact of technology failures or interruptions effecting the availability of such technology and systems. However, there remains a risk that a system failure may result in disruptions to business continuity, costs to Quickstep and potential losses of existing customers, and / or difficulty in attracting new customers.

7.3.12 **Foreign exchange**

The reliance on sales from key customers which are billed in US dollars and the sourcing of raw material product in US dollars directly impacts both sales and operating profit, and Quickstep is consequently exposed to adverse movements in exchange rates. Quickstep has adopted a foreign exchange hedging policy which is considered to be suitable to the business. The risk associated with exchange rate fluctuation is expected to continue, and is managed accordingly through the hedging policy.

7.3.13 **Insurance risk**

While Quickstep currently maintains insurance within ranges of coverage consistent with industry practice, no guarantee can be given that Quickstep will be able to continue to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. As Quickstep operates in the aerospace defence sector, insurers assess insurance risk at a global level and consider macro impacts of a client's portfolio risk. Global events may impact on how an insurer assesses Quickstep as an insurance risk.

7.3.14 **Evolving expectations with respect to environmental, social and governance (ESG) standards, and climate change**

Evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues may impact Quickstep's business. Increased expectations, and in particular the failure to meet those expectations, could impact on Quickstep's profitability, restrict access to financing or investment and increase compliance costs associated with meeting prevailing regulatory and disclosure standards. These factors could have an adverse effect on Quickstep's business, financial position and prospects. In addition, the impact of climate change and climate related events could negatively impact Quickstep's operations.

7.4 Scheme-related implications

7.4.1 **Risks relating to implementing the Scheme**

Satisfaction or waiver of Conditions

The Scheme is subject to various Conditions that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These Conditions are outlined in further detail in Section 9.4.1 and set out in full in clause 3 of the SID. The failure of a Condition to be satisfied or waived (if capable of waiver) may also give rise to a right of either Quickstep or ASDAM to terminate the SID.

The Conditions include, for example, approval by the Court and approval by Quickstep Shareholders. There is a risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that Quickstep

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and ASDAM are not prepared to accept. There is also a risk that some or all of the aspects of the Quickstep Shareholder approval and Court approvals required for the Scheme to proceed may be delayed.

If for any reason the Conditions to the Scheme are not satisfied or waived (where applicable) by the End Date and the Scheme is not implemented or the Scheme is delayed, the market price of Quickstep Shares may be adversely affected.

Termination rights

Quickstep and ASDAM each have the right to terminate the SID in the circumstances described in Section 9.4.5. As such, there is no certainty that the SID will not be terminated before the Scheme is implemented.

If the SID is terminated, Quickstep can provide no assurances that the Quickstep Board will be able to find a party willing to offer an equivalent or greater price for Quickstep Shares than the price to be paid under the terms of the SID and the Scheme.

A Superior Proposal for Quickstep may yet emerge

It is possible that a Superior Proposal for Quickstep, which is more attractive for Quickstep Shareholders than the Scheme, may materialise in the future. The implementation of the Scheme would mean that Quickstep Shareholders would not obtain the benefit of any such proposal.

The Quickstep Board is not currently aware of any such proposal and notes that since Quickstep and ASDAM announced the Scheme, there has been a significant period of time and ample opportunity for an alternative proposal for Quickstep which provides a different outcome for Quickstep Shareholders to emerge.

Since the SID Announcement Date, no alternative proposal has emerged and the Quickstep Directors have decided that the Scheme is in the best interests of Quickstep Shareholders at the date of this Scheme Booklet.

Target Reimbursement Fee

Under the SID, a liquidated amount (or break fee) of $412,000 may become payable by Quickstep to ASDAM (**Target Reimbursement Fee**) in certain circumstances. More information about the Target Reimbursement Fee is set out in Section 9.4.

Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable.

For further detail regarding the general Australian tax consequences of the Scheme, refer to Section 8 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Quickstep Shareholders should seek professional taxation advice in this regard.

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7.4.2 Implications for Quickstep and Quickstep Shareholders if the Scheme is not implemented

If the Scheme does not become Effective, Quickstep Shareholders will not receive the Scheme Consideration and Quickstep will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX. Further, as set out in Section 9.6, Quickstep will have incurred approximately $935,000 (exclusive of GST) in transaction costs in connection with the Scheme which is expected to be payable by Quickstep irrespective of whether or not the Scheme is implemented (excluding the Target Reimbursement Fee that may be payable by ASDAM if the Scheme does not proceed).

Unless Quickstep Shareholders choose to sell their Quickstep Shares on the ASX, Quickstep Shareholders will continue to hold Quickstep Shares and be exposed to both the risks (including those set out in this Section 7) and potential future benefits in retaining exposure to Quickstep's business and assets.

The Quickstep Share price will also remain subject to market volatility and may fall in the absence of a Superior Proposal.

Further, as set out in Section 5.11, if the Scheme is not implemented, then ASDAM will be required to proceed with, and make a Bidder's Statement which contains an offer to Quickstep Shareholders which must be on terms that are the same as, or not substantially less favourable than, the Proposed Takeover Bid within 1 month of Quickstep or ASDAM announcing the Scheme will not otherwise proceed, or if orders from the Second Court Hearing approving the Scheme are not lodged with ASIC by 20 May 2025. An offer made by ASDAM under its Bidder's Statement under its Proposed Takeover Bid to Quickstep Shareholders will be on terms that are significantly less favourable than the Scheme unless ASDAM determines to improve the current consideration of $0.40 per Quickstep Share offered under the Proposed Takeover Bid to an amount in excess of the Scheme Consideration.

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8. Australian tax implications of the Scheme

8.1 Introduction

The following is a general summary of the Australian income tax and GST implications for Scheme Shareholders who participate in the Scheme.

This summary is general in nature only, should be read in conjunction with the rest of this Scheme Booklet and is not intended to be an authoritative or complete analysis of the tax consequences arising from the Scheme. It is not intended to provide, and should not be relied on for tax or legal advice. Scheme Shareholders are advised to seek professional tax advice in relation to their particular circumstances.

This summary is based on the provisions of the Income Tax Assessment Act 1936 (Cth) (**ITAA 1936**) and the Income Tax Assessment Act 1997 (Cth) (**ITAA 1997**), the GST Law and the Australian state stamp duties legislation, as at the date of this Scheme Booklet. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities.

The information provided below is not applicable to all Scheme Shareholders. This tax summary applies to Australian tax resident and non-resident shareholders who hold their shares on capital account for income tax purposes. This summary will not apply to Scheme Participants who:

- hold their Quickstep Shares on 'revenue account' (such as share trading entities or entities who acquired their Quickstep Shares for the purposes of resale at a profit) or as 'trading stock' or entities, the investments of which are ordinarily subject to tax on revenue account;
- are under a legal disability;
- are temporary residents of Australia for Australian taxation purposes;
- acquired their Quickstep Shares under an employee share, option or rights plan;
- may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies, dealers in securities, or shareholders who change their tax residency while holding their Quickstep Shares;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Quickstep Shares; or
- are non-residents of Australia who hold their Quickstep Shares in carrying on a business at or through a permanent establishment in Australia.

This summary does not take into account the tax laws of countries other than Australia. Quickstep Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

Neither Quickstep nor any of its officers or employees, nor its taxation or other Advisers, accepts any liability or responsibility in respect of the tax consequences associated with participation in the Scheme.

8.2 Australian tax resident Quickstep Shareholders

8.2.1 Capital gains tax (CGT) on disposal of Quickstep Shares

The disposal of Quickstep Shares will constitute a CGT event for Australian resident Quickstep Shareholders. The disposal will constitute a CGT event A1 for Australian CGT purposes for Quickstep Shareholders.

The time of the CGT event will be the Implementation Date.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain (after reduction by the CGT discount, if applicable) is included in assessable income and is subject to income tax at the taxpayer's marginal rate. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

8.2.2 Calculation of capital gain or capital loss

Quickstep Shareholders should make a capital gain on the disposal of their Quickstep Shares to the extent that the capital proceeds from the disposal of the Quickstep Shares are more than the cost base of those Quickstep Shares at the date of disposal. Conversely, Quickstep Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Quickstep Shares at the date of the disposal.

8.2.3 Cost base and reduced cost base

Generally, the cost base of any Quickstep Shares will be equal to the consideration paid to acquire the Quickstep Shares. Other incidental costs incurred by a Quickstep Shareholder for their acquisition or ownership of Quickstep Shares (such as brokerage) that are otherwise non-deductible to the Quickstep Shareholder may also be included in the cost base of their Quickstep Shares.

The reduced tax cost base of the Quickstep Shares of a Quickstep Shareholder will be determined in a similar manner to the cost base, although some differences in the calculations of reduced tax cost base may exist depending on the relevant Quickstep Shareholder's circumstances. Quickstep Shareholders should consult their own independent tax advisors.

8.2.4 Capital proceeds

The capital proceeds received in respect of the disposal of each Quickstep Share should be the amount of the Scheme Consideration (i.e. $0.575 per Scheme Share).

8.2.5 CGT discount

An Australian resident Quickstep Shareholder who is an individual, the trustee of a trust (conditions apply) or a complying superannuation entity may be entitled to

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claim a CGT discount in calculating any capital gain if their Quickstep Shares were acquired at least 12 months before disposal under the Scheme. The CGT discount is not available for Quickstep Shareholders that are companies.

The CGT discount is applied to the capital gain after any available current year capital losses and prior year capital losses are applied.

The applicable CGT discount which would reduce a capital gain arising from the disposal of Quickstep Shares is 50% in the case of individuals and trusts, and 33⅓% in the case of Australian complying superannuation entities.

The ultimate availability of the CGT discount for beneficiaries of a trust will depend on the individual circumstances of the beneficiaries.

As the Scheme Consideration will be provided in cash only, no CGT roll-over will generally be available.

8.3 Non-resident Quickstep Shareholders

8.3.1 Capital gains tax (CGT) on disposal of Quickstep Shares

Quickstep Shareholders who are non-residents of Australia for income tax purposes are not generally subject to Australian CGT on the disposal of their Quickstep Shares. Australian CGT only applies to foreign resident Quickstep Shareholders if:

- the Quickstep Shareholder, together with their associates, owns 10% or more of the shares in Quickstep for any continuous 12-month period in the 24-month period before the Implementation Date; and
- the Quickstep Shares are an indirect Australian real property interest.

Based on the financial statements of Quickstep (reproduced at Section 5.4 of this Scheme Booklet), the Quickstep Shares should not be indirect Australian real property interests and no Australian CGT should be payable by foreign residents who dispose of their Quickstep Shares under the Scheme.

However, a non-resident individual Quickstep Shareholder who has previously been an Australian tax resident and chosen to disregard a capital gain or loss (i.e. CGT event A1) in respect of their Quickstep Shares on ceasing to be an Australian tax resident, or a Quickstep Shareholder who used their Quickstep Shares at any time in carrying on a business through a permanent establishment in Australia, may be subject to Australian CGT consequences on disposal of their Quickstep Shares.

8.3.2 Foreign resident CGT withholding

The foreign resident capital gains withholding regime may impose a 12.5% withholding obligation (calculated by reference to the Scheme Consideration) on ASDAM if ASDAM considers, or reasonably believes, that a Quickstep Shareholder is a foreign resident and Australian CGT applies to the disposal of Quickstep Shares.

On the basis that the Quickstep Shares should not be indirect Australian real property interests, the foreign resident CGT withholding regime should not operate to require ASDAM to withhold any amount from the Scheme Consideration.

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8.4 GST

Quickstep Shareholders should not be liable to GST in respect of a disposal of their Quickstep Shares.

Quickstep Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Scheme) that relate to the Scheme. Quickstep Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for GST incurred on such costs, but should seek their own independent advice in relation to their individual circumstances.

8.5 Stamp duty

Quickstep Shareholders should not be liable for any stamp duty on the disposal of their Quickstep Shares.

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9. Additional information

9.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the Corporations Regulations to be included in this Scheme Booklet, to the extent not covered elsewhere in this Scheme Booklet. This Section also includes additional information that the Quickstep Directors consider material to a decision on how to vote on the Scheme Resolution.

9.2 No relevant restrictions in the Constitution of Quickstep

There are no relevant restrictions on the right to transfer Quickstep Shares in Quickstep's constitution.

9.3 Quickstep Directors' interests

9.3.1 Directors' recommendation and voting intention

Quickstep Directors unanimously recommend that Quickstep Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders. Subject to the same qualifications, each of the Quickstep Directors will vote all Quickstep Shares that they hold or control in favour of the Scheme.

Quickstep Shareholders should note when considering this recommendation the interests of the Quickstep Directors described in this Section 9.3.

Except as set out below or otherwise disclosed in this Scheme Booklet:

(a) there are no marketable securities of Quickstep held by or on behalf of Quickstep Directors as at the date of this Scheme Booklet;

(b) no Quickstep Director holds, or has any interest in, marketable securities in ASDAM; and

(c) there has been no dealing by any Quickstep Director in any marketable securities of Quickstep or ASDAM in the 4 months prior to the Last Practicable Date.

9.3.2 Quickstep Shares

The relevant interests of each Quickstep Director in Quickstep securities as at the Last Practicable Date are as set out in the below table:

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Director	Number of Quickstep Shares held	Percentage of Issued Quickstep Shares held [10]	Scheme Consideration to be issued on the Implementation Date
Patrick Largier	583,000	0.81%	$335,225.00
Elisabeth Mannes	42,176	0.06%	$24,251.20
Kym Osley	76,739	0.11%	$44,124.92

9.3.3 **Retirement benefits**

Except as otherwise disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any Quickstep Director as compensation for, or in connection with, his or her retirement from office in Quickstep or in any other member of the Quickstep Group.

9.3.4 **Deeds of access, indemnity and insurance**

Quickstep has entered into deeds of access, indemnity and insurance with the directors and certain other officers of the Quickstep Group, on market standard terms (**D&O Deeds**). The D&O Deeds include terms that provide for Quickstep to indemnify each of its directors and officers against any liability incurred by such persons in their capacity as a director or officer of the company to any person other than a member of the Quickstep Group.

Quickstep also pays a premium in respect of a directors' and officers' insurance policy for the benefit of the directors and officers of the Quickstep Group. If the Scheme is implemented, Quickstep undertakes to enter into an arrangement to effect and maintain directors' and officers' run-off insurance coverage for all current and former Quickstep Directors and officers for seven years from the retirement date of each Quickstep Director or termination date in the case of officers on commercially reasonable terms.

As at the Last Practicable Date, Quickstep expects that the costs associated with entry into such run-off arrangements with respect to directors and officers will be $601,667.13 (including run off premium, GST and stamp duty), and with respect to employer practices will be $42,489.45 (including run off premium, GST and stamp duty).

9.3.5 **Agreements and arrangements entered into by Quickstep Directors in connection with or conditional upon the Scheme**

None of the Quickstep Directors, nor any of their associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any member of ASDAM, in connection with, or conditional upon, the outcome of the Scheme.

9.3.6 **Interests of Quickstep Directors in contracts with ASDAM**

No Quickstep Director has any interest in any contract entered into by ASDAM.

[10] Based on 71,726,241 Quickstep Shares on issue as at the Last Practicable Date.

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9.4 SID summary

Quickstep and ASDAM entered into the SID on 20 December 2024. The SID sets out the obligations of Quickstep and ASDAM in connection with the implementation of the Scheme. A full copy of the SID is attached to the Quickstep ASX announcement of 20 December 2024 which is available on the ASX website (https://www.asx.com.au/). The following is a summary of the key terms of the SID only and is qualified in its entirety by the full text of the SID.

9.4.1 Conditions

The obligations of the parties to implement the Scheme are subject to the conditions precedent summarised below being satisfied or waived, each being a Condition (clause 3.1 of the SID):

(a) **No restraints:** as at 8.00am (AET) on the Second Court Date:

(i) there is not in effect any temporary or final order, decision or decree issued, or other preliminary or final decision by any court of competent jurisdiction or Government Agency, nor is there in effect any other legal restraint or prohibition; and

(ii) no action or investigation has been announced or commenced by any Government Agency,

which restrains, prohibits, or otherwise materially adversely impacts upon (or could be reasonably expected to restrain, prohibit or otherwise materially adversely impact upon) completion of the Scheme;

(b) **Quickstep Shareholder approval**: the Scheme is approved by Quickstep Shareholders at the Scheme Meeting by the Requisite Majorities;

(c) **Independent Expert**: the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Quickstep Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am (AET) on the Second Court Date;

(d) **Court approval**: the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act;

(e) **No Quickstep Prescribed Occurrence**: no Quickstep Prescribed Occurrence occurs between (and including) the date of the SID and 8.00am on the Second Court Date;

(f) **No Quickstep Regulated Event**: no Quickstep Regulated Event occurs between (and including) the date of the SID and 8.00am (AET) on the Second Court Date;

(g) **No Material Adverse Change**: no Material Adverse Change occurs between the date of the SID and 8.00am (AET) on the Second Court Date;

(h) **Quickstep Warranties**: the Quickstep Warranties being true and correct in all material respects on the date of the SID and 8.00am (AET) on the Second Court Date; and

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(i) **ASDAM Warranties:** the ASDAM Warranties being true and correct in all material respects on the date of the SID and 8.00am (AET) on the Second Court Date.

As far as Quickstep is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which have caused or will cause any of the Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is 8.00am (AET) on the Second Court Date.

9.4.2 **Conduct of business**

Subject to certain exceptions, from the date of the SID until the Implementation Date, the Quickstep Group is required to comply with certain conduct of business requirements, which are summarised below but set out in full in clauses 7.1, 7.2 and 7.3 of the SID. Among other things Quickstep must, and must procure that each member of the Quickstep Group does, the following:

(a) conduct its business in the ordinary course and usual course of business and consistent with past practice, in the same manner as conducted in the 12 months prior to the date of the SID;

(b) conduct its businesses and operations substantially in accordance with all applicable authorisations, laws and regulations (including the Listing Rules);

(c) use best endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;

(d) use best endeavours to ensure that all assets are maintained in the normal course consistent with past practice;

(e) keep ASDAM reasonably informed of any material developments concerning the Quickstep Group;

(f) use best endeavours to comply in all material respects with material contracts to which any member of the Quickstep Group is a party, and with laws, authorisations and licenses applicable to each member of the Quickstep Group;

(g) maintain (and where necessary, use commercially reasonable efforts to renew) each of its material authorisations, accreditations and licenses applicable to each member of the Quickstep Group and promptly notify ASDAM if any renewal proposal is not accepted by the relevant Government Agency; and

(h) maintain (and where necessary, use commercially reasonable efforts to renew on substantially the same or similar terms to the extent reasonably available) existing policies of insurance as disclosed in the due diligence materials.

In addition, there are a number of negative covenants which apply to each member of the Quickstep Group which are set out in full in clause 7.1 of the SID. These negative covenants prevent members of the Quickstep Group from taking certain actions including entering into any new material line of business or other material activity or taking any action that would be likely to result in the termination of any

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material authorisation without ASDAM's prior written consent (unless another exception applies).

9.4.3 **Exclusivity**

Clause 11 of the SID contains certain exclusivity arrangements in favour of ASDAM. These arrangements are in line with market practice and are summarised below:

(a) No-shop

During the Exclusivity Period, the Quickstep Group must not, and must ensure that its representatives, do not, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal, or solicit, invite, initial or encourage enquiries, discussions, negotiations or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal, or communicate to any person any intention to do any of these things.

(b) No-talk

Subject to the 'fiduciary out' (described below), during the Exclusivity Period, the Quickstep Group must not, and must ensure that its representatives, do not directly or indirectly participate in, or continue any negotiations or discussions with respect to any discussions which could reasonably be expected to lead to encourage or lead to the making of an actual or proposed Competing Proposal, negotiate or enter into any agreement or arrangement or understanding regarding an actual, proposed or potential Competing Proposal, or disclose non-public information about the Quickstep Group to a third party with a view to encouraging or obtaining a Competing Proposal or communicate to any person any intention to do any of these things.

(c) No-due diligence

During the Exclusivity Period, Quickstep must not directly or indirectly:

(i) solicit, initiate, facilitate (subject to the 'fiduciary out'), encourage or invite any person (other than ASDAM, its affiliates or its representatives) to undertake due diligence investigations in respect of the Quickstep Group, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or

(ii) make available to any person (other than ASDAM, its affiliates or its representatives) or permit any such person to receive, other than in the ordinary course of business or as required by law or the rules of any prescribed financial market, any non-public information relating to the Quickstep Group, with a view to obtaining or which may reasonably be expected to lead to a Competing Proposal.

(d) Fiduciary out

The 'fiduciary out' is an exception that applies where complying with a restriction could cause the Quickstep Directors to breach their fiduciary duties or statutory obligations.

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The 'no-talk' and 'no-due diligence' restrictions do not apply to the extent they restrict the Quickstep Board from taking or refusing to take any action with respect to a Competing Proposal (in relation to where there has been no contravention of the exclusivity regime set out in clause 11 of the SID (and summarised above)) provided that:

(i) the Competing Proposal, approach, inquiry or proposal or request for information (as the case may be) is bona fide and is made by or on behalf of a person that the Quickstep Board considers is of sufficient commercial standing to give effect to the Competing Proposal; and

(ii) the Quickstep Board has determined in good faith after consultation with Quicksteps financial and legal adviser that the Competing Proposal is or would reasonably be expected to lead to a Superior Proposal, or has received written advice from Quickstep's external legal advisor that failing to take the action would be reasonably likely to constitute a breach of the fiduciary or statutory duties of the Quickstep Board.

(e) Notification of approaches

During the Exclusivity Period, Quickstep must as soon as possible, but in any event within 48 hours of becoming aware of the relevant matter, notify ASDAM in writing if it is approached by any person in relation to an actual or potential Competing Proposal or if a request is made by a third party for any information in relation to the Quickstep Group that the Quickstep Board has reasonable grounds to suspect may be in connection with such third party formulating or finalising a Competing Proposal.

This notification must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Proposal, together with all key terms and conditions (including price, conditions precedent, timetable, source and status of funding and any break fee) of the actual, proposed or potential Competing Proposal.

(f) Matching right

If, during the Exclusivity Period, the Quickstep Board determines that a Competing Proposal is a Superior Proposal, ASDAM has the right, but not the obligation, to make a matching or superior proposal (**ASDAM Counterproposal**) within 3 Business Days (**Matching Period**). If before expiry of the Matching Period, ASDAM makes a ASDAM Counterproposal, Quickstep must procure that the Quickstep Board promptly considers that ASDAM Counterproposal in good faith.

If the Quickstep Board determines that the ASDAM Counterproposal would provide an outcome that is no less favourable to or more favourable to Quickstep Shareholders as a whole than the relevant Competing Proposal (having regard to matters including, but not limited to, consideration, conditionality, funding, certainty and timing), then Quickstep and ASDAM must use their best endeavours to agree to any amendments to the SID, the Scheme and the Deed Poll that are reasonably necessary to reflect the ASDAM Counterproposal and to implement the ASDAM Counterproposal as soon as reasonably practicable.

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If ASDAM does not make an ASDAM Counterproposal before expiry of the Matching Period, or if the Quickstep Board does not consider that an ASDAM Counterproposal made within the Matching Period would provide an equivalent or superior outcome for Quickstep Shareholders as a whole compared with the Competing Proposal, subject to the terms of the SID, Quickstep may enter into a legally binding agreement to undertake or give effect to the Competing Proposal.

Each successive material variation or amendment of any Competing Proposal will constitute a new Competing Proposal and the Matching Right will apply again.

9.4.4 **Target Reimbursement Fee**

Quickstep must pay ASDAM the Target Reimbursement Fee (being a 'break fee' equal to approximately 1% of the implied equity value of Quickstep under the Scheme) in the circumstances described below. The Quickstep Directors consider that the Target Reimbursement Fee represents a genuine and reasonable pre-estimate of the costs that would be incurred by ASDAM in pursuing the Scheme, acknowledging that such costs are of a nature such that they cannot all be accurately ascertained, and that it is appropriate for Quickstep to agree to pay the Target Reimbursement Fee in the circumstances set out below, which are customary 'break fee' triggers for a transaction in the nature of the Scheme.

The Target Reimbursement Fee is payable if:

(a) during the Exclusivity Period, any Quickstep Director changes, qualifies or withdraws their recommendation that Quickstep Shareholders vote in favour of the Scheme and ASDAM has terminated the SID unless:

(i) the Independent Expert concludes in the Independent Expert's Report (or any update of, revision or amendment or addendum to, that report) that the Scheme is not in the best interests of Quickstep Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal);

(ii) Quickstep is entitled to terminate the SID due to ASDAM's material and unremedied breach of the SID or an ASDAM Warranty and issues a valid termination notice on this basis; or

(iii) the failure to recommend, or the change to or withdrawal of a recommendation to vote in favour of the Scheme, is a result of a requirement of a court or Government Agency;

(b) a Competing Proposal is announced prior to the date of the Scheme Meeting (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, a third party completes the Competing Proposal or acquires a Relevant Interest in more than 50% of the Quickstep Shares, or acquires substantially all of the assets of Quickstep; or

(c) ASDAM has terminated the SID due to a material and unremedied breach of the SID or a Quickstep Warranty by Quickstep, or a Competing Proposal is

announced or made and is publicly recommended, supported or endorsed by a majority of the Quickstep Board and the Scheme does not complete.

9.4.5 **Termination**

Either Quickstep or ASDAM may terminate the SID if:

(a) there is an act, a failure to act, an event or an occurrence that would, does, or will prevent any of the Conditions being satisfied by the End Date;

(b) the Effective Date for the Scheme has not occurred, or will not occur on or before the End Date; and

Quickstep and ASDAM have been unable to agree as to whether the Scheme may proceed by way of alternative means or to extending the time for satisfaction of the relevant Condition or the End Date or adjourning the application to the Court for approving the Scheme; or

(c) the Court or another Government Agency has taken any action permanently restraining or otherwise prohibiting or preventing the Scheme.

ASDAM may terminate the SID if:

(a) Quickstep is in material and unremedied breach of the SID or a Quickstep Warranty;

(b) withdraws or adversely revises their recommendation that Quickstep Shareholders vote in favour of the Scheme or their Voting Intention or makes any public statement that is inconsistent with the recommendation or Voting Intention, or recommends, endorses or supports any Competing Proposal (other than as permitted under the SID); or

(c) a Competing Proposal is announced or made and is publicly recommended, supported or endorsed by a majority of the Quickstep Board.

Quickstep may terminate the SID if:

(a) a majority of the Quickstep Board changes, withdraws or modifies their recommendation that Quickstep Shareholders vote in favour of the Scheme as permitted under the SID and Quickstep has paid the Target Reimbursement Fee (if required to do so under the terms of the SID); or

(b) ASDAM is in material and unremedied breach of the SID or an ASDAM Warranty.

9.5 Deed Poll

On 3 March 2025, ASDAM executed the Deed Poll in favour of Scheme Shareholders, under which, subject to the Scheme becoming Effective, ASDAM undertakes in favour of each Scheme Shareholder to pay the Scheme Consideration for each Scheme Share, being $0.575 for every one Scheme Share held by a Scheme Shareholder. The Deed Poll may be relied upon by any Scheme Shareholder despite the fact that they are not a party to it and each Scheme Shareholder appoints Quickstep as its agent to enforce their rights under the Deed Poll against these members of ASDAM.

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The Deed Poll is at Annexure 4 to this Scheme Booklet.

9.6 Disclosure of fees and other benefits

Each of the persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging. Quickstep has certain obligations that are contingent upon successful implementation of the Scheme.

If the Scheme is implemented, Quickstep expects to pay an aggregate amount of approximately $2,435,000 (exclusive of GST) in transaction costs in connection with the Scheme. This includes advisory fees, the Independent Expert fees, Share Registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meeting. Of this amount, approximately $935,000 (exclusive of GST) is expected to be payable by Quickstep irrespective of whether or not the Scheme is implemented (excluding the Target Reimbursement Fee that may be payable by ASDAM if the Scheme does not proceed). These amounts do not include the transaction costs that may be incurred by ASDAM in relation to the Scheme.

9.7 Consents and disclaimers

9.7.1 Terms of Consent

Each person named in this Section 9.7 as having given its consent to the inclusion of a statement or being named in this Scheme Booklet:

(a) has not authorised or caused the issue of this Scheme Booklet;

(b) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than those statements which have been included in this Scheme Booklet with the consent of that person; and

(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to their name and any statements (including any report) which have been included in this Scheme Booklet with the consent of that person.

9.7.2 Independent Expert

Deloitte Corporate Finance Pty Ltd (as Independent Expert) has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

(a) be named as the Independent Expert in the form and context in which it is named;

(b) the inclusion of the Independent Expert's Report at Annexure 2; and

(c) the inclusion in this Scheme Booklet of statements made by the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

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9.7.3 **ASDAM**

ASDAM has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

(a) be named in this Scheme Booklet in the form and context in which it is named; and

(b) the inclusion in this Scheme Booklet of ASDAM Information in the form and context in which it appears.

9.7.4 **Advisers and Share Registry**

Miles Advisory Partners Pty Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Quickstep's financial Adviser in the form and context in which it is named.

Maddocks has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Quickstep's legal Adviser in the form and context in which it is named.

Computershare Investor Services Pty Ltd ACN 078 279 277 has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Quickstep's Share Registry in the form and context in which it is named.

9.8 Supplementary information

Quickstep will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

9.8.1 a material statement in this Scheme Booklet is false or misleading;

9.8.2 a material omission from this Scheme Booklet;

9.8.3 a significant change affecting a matter included in this Scheme Booklet; and/or

9.8.4 a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

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

9.8.5 approaching the Court for a direction as to what is appropriate in the circumstances;

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

9.8.7 posting the supplementary document on Quickstep's website and the ASX; and

9.8.8 making a public announcement by way of press release.

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ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by Quickstep.

9.9 Regulatory Relief

In accordance with regulation 5.1.01(b) and paragraph 8302(h) of Schedule 8 of the Corporations Regulations, this Scheme Booklet is required to set out whether, within the knowledge of the Quickstep Directors, the financial position of Quickstep has materially changed since the date of the last balance sheet laid before Quickstep in general meeting or sent to Quickstep Shareholders in accordance with section 314 or 317 of the Corporations Act (being 30 June 2024), as well as the full particulars of the changes.

ASIC has granted in-principle relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Quickstep Directors, the financial position of Quickstep has materially changed since 31 December 2024 (being the last date of the period to which the financial statements for the half year ended 31 December 2024 relate).

A copy of the financial report of Quickstep for the half year ended 31 December 2024 was announced to the ASX on 24 February 2025 and is available on the ASX website (www.asx.com.au). Quickstep Shareholders can obtain a copy of Quickstep's financial report for the half year ended 31 December 2024 free of charge by calling the Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).

9.10 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, including in the Independent Expert's Report and the information that is contained in the attachments and appendices to this Scheme Booklet, so far as the Quickstep Directors are aware, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Quickstep Director which has not been previously disclosed to Quickstep Shareholders.

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10. Glossary

10.1 Definitions

In this Scheme Booklet, unless the context otherwise requires, the following terms have the meanings shown below:

$, A$, AUD or AUD$	means the lawful currency for the time being of Australia.
Advisers	means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to Quickstep or ASDAM.
AET	means Australian Eastern Time.
AFSL	means an Australian Financial Services Licence.
ASDAM	means ASDAM Operations Pty Ltd ACN 631 993 710.
ASDAM Counterproposal	has the meaning given in Section 9.4.3(f) of this Scheme Booklet.
ASDAM Holdings	means ASDAM Holdings Pty Ltd ACN 631 990 086.
ASDAM Information	means the following information regarding ASDAM that has been provided by or on behalf of ASDAM to Quickstep for inclusion in this Scheme Booklet: (a) FAQ 12, 13 and 39; and (b) the entire contents of section 6. For the avoidance of doubt, the ASDAM Information excludes the Quickstep Information and the Independent Expert's Report.
ASDAM Warranties	means the Bidder Warranties as defined in Schedule 1 of the SID.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market that it operates.
Bidder's Statement	has the meaning given in Section 5.11.
Business Day	means a day that is not a Saturday, Sunday, or public holiday or bank holiday in Sydney, New South Wales, Australia.
CHESS	means the clearing house electronic sub register system for the electronic transfer of securities operated by ASX Settlement Pty

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	Limited ACN 008 504 532 and ASX Clear Pty Limited ACN 001 314 503.
Competing Proposal	is defined in clause 1.1 of the SID.
Condition	means a condition precedent to the SID and the Scheme becoming effective as set out in clause 3.1 of the SID.
Corporations Act	means the *Corporations Act 2001* (Cth).
Corporations Regulations	means the *Corporations Regulations 2001* (Cth).
Court	means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.
CPE Capital	means CPEC 8 Management Pty Ltd ACN 605 734 772.
CPEC 8 Fund Entities	means each of: (a) Perpetual Trustee Company Limited as trustee for the CPEC 8 Trust A; (b) P.T. Limited as trustee for the CPEC 8 Trust B; (c) Perpetual Corporate Trust Limited as trustee for the CPEC 8 Trust C; and (d) The Trust Company (Australia) Limited as trustee for the CPEC 8 Trust D.
Deed Poll	means the deed poll to be executed by ASDAM prior to the First Court Date, substantially in the form set out in Annexure 4.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrances	means a mortgage charge, pledge, lien, encumbrance, assignment, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or combination of any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	means the later of: (a) 30 June 2025; and

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	(b) such other date and time agreed in writing between ASDAM and Quickstep.
Exclusivity Period	means the period commencing 20 December 2024 and ending on the earlier of: (a) the date of termination of the SID; (b) the End Date; and (c) the Effective Date.
FAQ	means a question (and its corresponding answer) under the heading 'Frequently Asked Questions' commencing in Section 2 of this Scheme Booklet.
Government Agency	means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX and any regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).
GST	means a goods and services tax or similar value added tax levied or imposed under the GST Law.
GST Law	has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
GWEO	means guided weapons and explosive ordinance.
Implementation Date	means the date which is 7 Business Days after the Scheme Record Date or such other date as Quickstep and ASDAM may agree.
Independent Expert	means Deloitte Corporate Finance Pty Ltd ACN 003 833 127.
Independent Expert's Report	means the report from the Independent Expert in respect of the Scheme, a copy of which is set out in Annexure 2.
Last Practicable Date	means 26 February 2025, being the last practicable trading day prior to finalising the information in this Scheme Booklet.
Listing Rules	means the official listing rules of the ASX, as amended, waived or modified from time to time.
Matching Period	has the meaning given in Section 9.4.3(f) of this Scheme Booklet.

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Matching Right	means ASDAM's right to match a Superior Proposal under clause 12.6 of the SID, as summarised in Section 9.4.3(f) of this Scheme Booklet.
Material Adverse Change	has the meaning given in Schedule 1 of the SID.
Meeting Record Date	means the date and time for determining eligibility to vote at the Scheme Meeting, currently expected to be 1.30pm (AET) on 12 April 2025.
Notice of Scheme Meeting	means the Notice of Scheme Meeting and the explanatory notes that form part of that notice as set out in Annexure 1.
Proposed Takeover Bid	means the conditional off-market takeover offer for Quickstep which ASADM announced its intention to make on 7 November 2024 on the ASX.
Proxy Forms	means the proxy form for the Scheme Meeting that is dispatched to Quickstep Shareholders in accordance with the orders of the Court or is available from the Share Registry.
QAS	means Quickstep Aerospace Services.
Quickstep	means Quickstep Holdings Limited ACN 096 268 156.
Quickstep Board	means the board of the Quickstep Directors.
Quickstep Director	means a director of Quickstep.
Quickstep Group	means Quickstep and its Subsidiaries.
Quickstep Information	means all information in this Scheme Booklet other than the ASDAM Information and the information contained in the Independent Expert's Report.
Quickstep Prescribed Occurrence	means a Target Prescribed Occurrence as defined in Schedule 1 of the SID.
Quickstep Regulated Event	means a Target Regulated Event as defined in Schedule 1 of the SID.
Quickstep Share	means a fully paid ordinary share in the capital of Quickstep.
Quickstep Shareholder	means each person who is registered in the Register as the holder of a Quickstep Share.
Quickstep Subsidiary	means any of Quickstep's Subsidiaries.
Quickstep Warranties	means the Target Warranties as defined in Schedule 1 of the SID.

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Register	means the register of members of Quickstep kept by the Share Registry.
Relevant interest	has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Requisite Majorities	means: (a) a majority in number (more than 50%) of Quickstep Shareholders present and voting at the Scheme Meeting (virtually, or by proxy, corporate representative or attorney); and (b) at least 75% of the votes cast on the Scheme Resolution by Quickstep Shareholders present and voting at the Scheme Meeting (virtually, or by proxy, corporate representative or attorney).
Scheme	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Quickstep and the Quickstep Shareholders, in the form at Annexure 3, together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by Quickstep and ASDAM.
Scheme Booklet	means this document.
Scheme Consideration	means $0.575 for every one Scheme Share held by a Scheme Shareholder.
Scheme Information Line	means the scheme information line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).
Scheme Meeting	means the meeting of Quickstep Shareholders ordered by the Court to be convened pursuant to Section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	means 7.00pm (AET) on the day which is two Business Days after the Effective Date, or any other date (after the Effective Date) agreed by Quickstep and ASDAM to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.
Scheme Resolution	means the resolution to approve the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.

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Scheme Shareholders	means each person who is a Quickstep Shareholder as at the Scheme Record Date (excluding any member of ASDAM to the extent that any such member becomes the registered holder of any Quickstep Shares.
Scheme Shares	means each Quickstep Share held by a Scheme Shareholder on the Scheme Record Date.
Second Court Date	means the first day of hearing of an application made to the Court by Quickstep for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing, with such hearing the **Second Court Hearing**.
Section	means a section of this Scheme Booklet.
Security Interest	has the meaning given in section 12 of the *Personal Property Securities Act 2009* (Cth).
Share Registry	means Computershare Investor Services Pty Limited ACN 078 279 277.
SID	means the scheme implementation deed entered into between Quickstep and ASDAM on 20 December 2024. A summary of the SID is set out in Section 9.4. A full copy of the SID is attached to the Quickstep ASX announcement of 20 December 2024, which is available on the ASX website (https://www.asx.com.au/) and Quickstep's website.
SID Announcement Date	means the date on which Quickstep's and ASDAM's entry into the SID was announced to the ASX, being 20 December 2024.
Subsidiary	has the meaning given to that term in section 46 of the Corporations Act.
Superior Proposal	has the meaning given in Schedule 1 of the SID.
Target Reimbursement Fee	means $412,000.
UAM	means urban air mobility.
UAV	means uninhabited air vehicle.
Voting Intention	has the meaning given in clause 6.2 of the SID.
VWAP	means the volume weighted average price.

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Annexure 1 Notice of Scheme Meeting

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Quickstep Holdings Limited

ACN 096 268 156
Registered office: 361 Milperra Road, Bankstown NSW 2200

NOTICE OF SCHEME MEETING

Notice is given that, by order of the Federal Court of Australia made on Wednesday, 5 March 2025, pursuant to section 411(1) of the Corporations Act, a meeting of shareholders of Quickstep Holdings Limited (**Quickstep**) (**Scheme Meeting**) will be held:

Date: Monday, 14 April 2025

Time: 1.30pm (AET)

Place of Meeting: the meeting will be conducted as a virtual only meeting, with shareholders of Quickstep (**Quickstep Shareholders**) able to participate online via the online platform at https://meetnow.global/M5PZWXS. There will be no physical location for Quickstep Shareholders to attend.

The explanatory notes that accompany and form part of this Notice of Scheme Meeting describe in more detail how to participate in the Scheme Meeting via the online platform. Please ensure you read the explanatory notes in full.

Business of the Scheme Meeting

On 20 December 2024, Quickstep announced that it had entered into a scheme implementation deed with ASDAM Operations Pty Ltd (**ASDAM**), under which it is proposed that ASDAM will acquire all of the issued ordinary shares in Quickstep (**Quickstep Shares**) by way of a court approved scheme of arrangement (**Scheme**).

The purpose of the Scheme Meeting is for Quickstep Shareholders to consider and, if thought fit, agree to the Scheme (with any modifications, alterations or conditions required by the Court to which Quickstep and ASDAM agree or any modifications, alterations or conditions agreed in writing by Quickstep and ASDAM and approved by the Court).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the Glossary in Section 10 of the Scheme Booklet.

Scheme Resolution

At the Scheme Meeting, Quickstep Shareholders will be asked to consider and, if thought fit, to agree (with or without amendment) the following resolution:

> *"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between Quickstep Holdings Limited and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part, is agreed to (with any modifications, alterations or conditions required by the Federal Court of Australia to which Quickstep Holdings Limited and ASDAM Operations Pty Ltd agree in writing or any modifications, alterations or conditions agreed in writing by Quickstep Holdings Limited and ASDAM Operations Pty Ltd and approved by the Federal Court of Australia), and, subject to approval of the Scheme by the Federal Court of Australia, the board of directors of Quickstep Holdings Limited be authorised to implement the Scheme with any such modifications, alterations or conditions."*

Chair of Scheme Meeting

The Court has also directed that Patrick Largier act as Chair of the Scheme Meeting or failing him Kym Osley.

Important note

The Chair intends to vote all undirected proxies which they receive in favour of the Scheme Resolution.

By order of the Court and the board of directors of Quickstep Holdings Limited

Dated 5 March 2025



Patrick Largier
Chair

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QUICKSTEP HOLDINGS LIMITED

ACN 096 268 156

EXPLANATORY NOTES

These explanatory notes should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet (of which this Notice of Scheme Meeting forms part). The Scheme Booklet contains important information to assist you in deciding how to vote at the Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of Scheme Meeting and in these explanatory notes have the same meaning as set out in the Glossary in Section 10 of the Scheme Booklet.

A copy of the Scheme is set out in Annexure 3 of the Scheme Booklet.

Meeting Format

The Scheme Meeting will be a virtual only meeting to be held at 1.30pm (AET) on Monday, 14 April 2025, via the online platform at https://meetnow.global/M5PZWXS. There will be no physical venue at which Quickstep Shareholders or their attorneys, corporate representatives or proxies may attend.

Any changes to the Scheme Meeting will be communicated to Quickstep Shareholders virtually via the ASX at www.asx.com.au and Quickstep's website at www.quickstep.com.au/announcement.

Quickstep Shareholders who are unable to participate in the Scheme Meeting (or who choose not to) via the online platform are strongly encouraged to submit a proxy form to the Share Registry as early as possible, and in any event, by no later than 1.30pm (AET) on Saturday, 12 April 2025 (being 48 hours before the Scheme Meeting) following the instructions set out below.

Entitlement to vote

The persons entitled to vote at the Scheme Meeting are those persons who are registered as Quickstep Shareholders in the Register at 1:30pm (AET) on Saturday, 12 April 2025.

Participating in the Scheme Meeting via the online platform

Quickstep Shareholders and their authorised proxies, attorneys and corporate representatives can only participate in and vote at the Scheme Meeting via the online platform at https://meetnow.global/M5PZWXS on a computer, tablet or smartphone.

Online registration will open at 1.00pm (AET) on Monday 14 April 2025 (being 30 minutes before the commencement of the meeting). Quickstep Shareholders will require their Security Reference Number (SRN) or Holder Identification Number (HIN) and registered postcode or country code to register online. Appointed proxies need to contact Computershare on +61 3 9415 4024 prior to the Scheme Meeting to obtain their unique email invitation link.

To participate in the Scheme Meeting online Quickstep Shareholders should follow the instructions below:

- click on 'Join Meeting Now';
- enter your SRN / HIN. Appointed proxies will need to contact Computershare on +61 3 9415 4024 on 14 April 2025 (prior to the commencement of the Scheme Meeting) to obtain their unique email invitation link;
- enter your postcode registered to your holding if you are an Australian shareholder. If you are an overseas shareholder, select the country of your registered holding from the drop-down list; and
- accept the Terms and Conditions and click 'Continue'.

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Quickstep Shareholders can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

Quickstep Shareholders should read the "Online Meeting User Guide" at www.computershare.com.au/virtualmeetingguide for further instructions on how to participate online. It is recommended that this guide be read before the meeting commences.

Voting

If you are a Quickstep Shareholder entitled to vote at the Scheme Meeting, you may vote in the following ways:

By virtually attending the Scheme Meeting and voting via the online platform

To vote online at the Scheme Meeting, you must participate in the Scheme Meeting via the online platform at https://meetnow.global/M5PZWXS on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Microsoft Edge or Firefox. Please ensure your browser is compatible.

Online voting at the Scheme Meeting will be open between the start of the meeting and the closing of voting, as announced by the Chair during the meeting.

Voting by Proxy

A Quickstep Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. A proxy need not be a Quickstep Shareholder and may be an individual or a body corporate. Each proxy will have the right to vote on the Scheme Resolution and also to speak and ask questions at the Scheme Meeting. The appointment may specify the proportion or number of votes the proxy may exercise.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or the number of votes each proxy may exercise. If the appointment does not specify the proportion or number of Quickstep Shareholder votes each proxy may exercise, each proxy may exercise half of the votes.

If a proxy is not directed on how to vote on any item of business, the proxy may vote or abstain from voting, as the proxy thinks fit. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on the poll, and the Quickstep Shares the subject of the proxy appointment will not be counted in determining the required majority.

Quickstep Shareholders who appoint a proxy but do not nominate the identity of their proxy will be taken to have appointed the Chair of the Scheme Meeting as their proxy to vote on their behalf. If a proxy form is lodged and the proxy form specifies the way the proxy is to vote on the Scheme Resolution, but the nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution, the Chair of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions.

Proxy appointments in favour of (or which default to) the Chair of the Scheme Meeting and which do not contain a direction as to how to vote will be voted in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Quickstep Shareholders. An ASX announcement will be released if the Chair changes their voting intention.

If you appoint a proxy, you may still attend the Scheme Meeting. Please note that if you appoint a proxy and attend the Scheme Meeting, your proxy's authority to vote will not be suspended while you

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are present. However, you may still vote on the Scheme Resolution at the Scheme Meeting. If you do so and your proxy also votes, your vote will be counted and your proxy's will not.

You must deliver the signed and completed proxy form in one of the following ways:

Online	At www.investorvote.com.au and follow the prompts
By mobile device	If you have a smart phone, you can lodge your proxy appointment via www.investorvote.com.au or by scanning the QR code on the Proxy Form. To scan the QR code, you will need a QR code READER application which can be downloaded for free on your mobile device
By post	Either via the reply-paid envelope included with your proxy or by sending the completed proxy form to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001
By fax	1800 783 447 within Australia; or +61 3 9473 2555 outside Australia.

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by Quickstep or the Share Registry by 1.30pm (AET) on Saturday, 12 April 2025 (being 48 hours before the Scheme Meeting), to be effective. Proxy Forms received later than this time will be invalid.

For further information on proxy voting, please refer to the Proxy Form.

Voting by attorney

Quickstep Shareholders may appoint an attorney to attend and vote at the Scheme Meeting on their behalf.

Quickstep Shareholders who wish to vote by attorney at the Scheme Meeting should, if they have not already presented an appropriate power of attorney to Quickstep, deliver to the Share Registry or Quickstep an original or certified copy of the power of attorney by no later than 1:30pm (AET) on Saturday, 12 April 2025 (being 48 hours before the commencement of the Scheme Meeting).

The appointment of a power of attorney does not preclude you from virtually attending the Scheme Meeting and voting at the meeting.

A power of attorney may be submitted in the same manner as a completed Proxy Form as described above.

Voting by Corporate Representative

A Quickstep Shareholder or proxy which is a body corporate may appoint an individual to act as its representative to vote at the Scheme Meeting (**Corporate Representative**). The appointment must comply with section 250D of the Corporations Act. If a Corporate Representative of a Quickstep Shareholder or proxy which is a body corporate is to attend the Scheme Meeting, the appropriate "Appointment of Corporate Representative" form will need to be produced prior to admission, along with an original or certified copy of any power of attorney under which it is signed. A form may be obtained from the Share Registry, or online at https://www-au.computershare.com/Investor/#help/PrintableForms and provided to the Share Registry in the manner set out on the form.

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Unless otherwise specified in the appointment, a Corporate Representative acting in accordance with their authority, until it is revoked by the body corporate Quickstep Shareholder or proxy, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting, or in voting on a resolution in its capacity as Quickstep Shareholder or proxy.
This evidence may be submitted in the same manner as a completed Proxy Form as described above.

Joint holders

In the case of Quickstep Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Quickstep Shareholder votes in respect of jointly held Quickstep Shares, the vote of the holder named first in the Quickstep Share Register, whether directly or by proxy, attorney or corporate representative, will be accepted to the exclusion of the votes of the other joint holders. If multiple Proxy Forms are received for a joint holding of Quickstep Shares, the latter most Proxy Form received will be accepted to the exclusion of the foregoing Proxy Forms.

Requisite Majorities

In order for the Scheme to become effective, the Scheme Resolution must be passed at the Scheme Meeting by:

- unless the Court orders otherwise, a majority of the number (more than 50%) of Quickstep Shareholders present and voting (whether directly or by proxy, attorney or, in the case of corporate shareholders, a corporate representative) at the Scheme Meeting; and

- at least 75% of the total number of votes cast on the resolution by Quickstep Shareholders present and voting (whether directly or by proxy, attorney or, in the case of corporate shareholders, a corporate representative) at the Scheme Meeting, (**the Requisite Majorities**).

The Court has the discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution, but not by a majority in number of Quickstep Shareholders (other than Quickstep Shareholders who are ineligible to vote) present and voting at the Scheme Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alteration or conditions) is subject to approval of the Court. If the Scheme Resolution is approved by the Requisite Majorities, and the relevant conditions precedent to the Scheme (other than approval by the Court) are satisfied, or waived, by the time required under the Scheme, Quickstep intends to apply to the Court for the necessary orders to give effect to the Scheme.

How to ask questions?

Quickstep Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to info@quickstep.com.au prior to 7.00pm (AET) on 12 April 2025. Please use the email subject “Scheme Meeting Question”. As many of the emailed questions as possible will be addressed during the Scheme Meeting.

Alternatively, Quickstep Shareholders and their authorised proxies, attorneys and corporate representatives will have the opportunity to submit questions or comments via the online platform to the Quickstep Board during the Scheme Meeting. In the interests of all present, please confine your questions to matters before the Scheme Meeting that are relevant to Quickstep Shareholders as a whole.

Further information for Quickstep Shareholders

If it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting, Quickstep will make further information available through the ASX website (ASX: QHL) and on its website at https://www.quickstep.com.au/announcement/. Any Quickstep Shareholders who wish to attend the virtual Scheme Meeting should therefore monitor Quickstep's website and its ASX announcements for any updates about the Scheme Meeting.

If you have any questions in relation to this Scheme Booklet or the Scheme, you should contact the Scheme Information Line on 1300 150 530 (within Australia) or +61 2 9066 4054 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.00pm (AET).

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Annexure 2 Independent Expert's Report

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Quickstep Holdings Limited

Independent expert's report and Financial Services Guide

4 March 2025

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) has been engaged by Quickstep Holdings Limited (**QHL**) to prepare an independent expert's report (our **Report**) in connection with the proposed acquisition of all QHL shares by ASDAM Operations Pty Ltd (**Proposed Scheme**). QHL will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and·
- derivatives to retail and wholesale clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately $150,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance. We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

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https://www.deloitte.com/au/en/contact/contact-us.html?icid=bn_contact-us

or contact the Complaints Officer:
Online: www.deloitte.com.au via the Contact Us page
Email: complaints@deloitte.com.au
Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 300

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The Directors
Quickstep Holdings Limited
361 Milperra Road
Bankstown NSW 2200

4 March 2025

Dear Directors

Re: Independent expert's report

Introduction

Following announcement of an initial offer on 7 November 2024, on 20 December 2024, QHL announced it had entered into a scheme implementation deed (**SID**) with ASDAM Operation Pty Limited (**ASDAM**). Under the SID, ASDAM has agreed to acquire all of the issued shares in QHL for cash consideration of $0.575 per share (the **Proposed Consideration**) (the **Proposed Scheme**).

An overview of the Proposed Scheme is provided in Section 1 of our detailed report, and full details are included in the Scheme Booklet issued by QHL.

Purpose of the report

The Directors of QHL have requested Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) to provide an independent expert's report advising whether, in our opinion, the Proposed Scheme is in the best interests of the shareholders of QHL.

This report is to be included in the Scheme Booklet to be sent to QHL shareholders and has been prepared for the exclusive purpose of assisting QHL shareholders in their consideration of the Proposed Scheme. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if this report is used by any other person for any other purpose.

Basis of evaluation

In preparing this report, we have had regard to the ASIC Regulatory Guide 111 in relation to the content of the expert's report and ASIC Regulatory Guide 112 in respect of the independence of the expert.

To assess whether the Proposed Scheme is in the best interests of QHL shareholders, we have adopted the test of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Further information on the basis of the evaluation is set out in Section 2.

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Summary and conclusion

In our opinion, the Proposed Scheme is fair and reasonable to, and therefore in the best interests of, QHL shareholders. In arriving at this opinion, we have had regard to the following:

The Proposed Scheme is fair

According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Scheme is fair, the independent expert is required to compare the market value of a QHL share on a control basis with the consideration being offered. The Proposed Scheme is fair if the value of the consideration is equal to or greater than the value of a QHL share. Set out in the table below is that comparison.

Table 1: Comparison of our valuation of a QHL share to the Proposed Consideration

AUD	Section	Low	High
Estimated market value of one QHL share	4.1	0.44	0.59
Proposed Consideration	1.1	0.575	0.575

Source: Deloitte Corporate Finance analysis

The consideration offered is within the range of our estimate of the market value of a QHL share. Accordingly, it is our opinion that the Proposed Scheme is fair.

Valuation of a QHL share

Our estimate of the market value of a QHL share is set out in the table below.

Table 2: Valuation of a QHL share

AUDm (unless otherwise stated)	Section	Low	High
Enterprise value (selected)		**46.8**	**51.0**
Less: Other liabilities	4.3	(7.2)	(0.2)
Less: Net debt	4.4	(8.2)	(8.2)
Equity value (control basis)		**31.3**	**42.7**
Number of shares on issue	4.54.5	71.7	71.7
Equity value per share ($)		**0.44**	**0.59**

Source: Deloitte Corporate Finance analysis

We have estimated the enterprise value of QHL by applying the market multiples approach.

We have selected EBITDA as an appropriate measure of earnings because multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT.

Notwithstanding that Quickstep is required to adopt prevailing accounting standards under IFRS (including AASB 16)[1], we selected EBITDA on a pre-AASB 16 basis (ie. after deducting rent expense) given Quickstep leases a number of properties and that the expenses associated with these leases are material. EBITDA on a pre-AASB 16 basis is based on statutory EBITDA less rent expense which is a real cost to the business. Excluding this rent expense (by adopting statutory EBITDA) has a disproportionate impact on Quickstep's EBITDA relative to the comparable businesses which could lead to an inaccurate valuation of Quickstep's shares. Consequently, adopting a pre-AASB 16 EBITDA as the basis of valuation allows for a better comparison with the earnings multiples of other comparable companies.

[1] Refer to section 3.4 for a detailed explanation of the requirements of AASB 16.

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Under the market multiples approach, we have assessed an appropriate EBITDA to be $8.5m (on a pre-AASB16 basis), based on our analysis of a normalised EBITDA for QHL's continuing businesses. This EBITDA takes account of the full benefit of recent cost restructures that have been undertaken by QHL management, recent renegotiations of contracts with key customers, and certain costs we consider that a market participant would be able to avoid by taking the business private.

The selected earnings multiple of 5.5x to 6.0x is based on the earnings multiples of listed Australian companies that operate within the advanced manufacturing industry producing high-quality materials and engineering solutions, global advanced composite manufacturers that utilise similar technologies to produce lightweight, high-strength materials tailored for industries such as aerospace, automotive and defence, as well as transactions where the target company primarily manufactured composite materials and components.

We have cross-checked our assessment of market value above using the discounted cash flow approach, which is widely adopted in valuing operating businesses. The discounted cash flow cross check requires the determination of an appropriate discount rate and the projection of future cash flows. We selected a nominal after tax discount rate in the range of 11.5% to 12.5% to discount the estimated future cash flows to their present value. In the absence of publicly available forecasts prepared by management, we have utilised high-level projections developed by management. For this reason, we consider this approach high level in nature and only suitable as a cross-check of our primary valuation approach, which is the market multiples approach referred to above.

Whilst QHL's revenues are underpinned by a few key contracts (which by definition have finite lives), it has a track record of renewing such contracts particularly given the cost for customers to change suppliers and the long lifecycle of the end products to which these contracts relate.

The enterprise value range of between $46.8m and $51.0m reflects the benefits of the restructuring that has been undertaken to refocus the group on the more profitable aspects of its operations (and equally to improve the profitability of those operations). The top end of the valuation range could be viewed as reflecting the value of the platform and optionality it delivers for growth in other adjacencies (especially noting that the core activities could be viewed as having a limited life). Having said this, there are challenges to achieving such growth ambitions as is evident from QHL's recent attempts to develop capabilities in Services and Drones.

We have added to this enterprise value the estimated value of other assets, liabilities and net debt to arrive at the equity value of QHL. These include investments, tax losses that could be available for future utilisation, and liabilities associated with customer prepayments for orders.

Our valuation takes account of market participant benefits including listed company cost savings and cost synergies which QHL shareholders will not benefit from if the Proposed Scheme is unsuccessful.

Additional details of our valuation of QHL are set out in Section 4.

The Proposed Scheme is reasonable

In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. On this basis, in our opinion, the Proposed Scheme is reasonable.

We also highlight the following factors that QHL shareholders may wish to consider in their assessment of the Proposed Scheme.

Shareholders are receiving a premium to the share price of QHL prior to the announcement of the Proposed Scheme

The Proposed Consideration represents a substantial premium over the share price of QHL prior to the announcement of the Proposed Scheme on 20 December 2024 and even higher premiums based on undisturbed share prices being prices prior to the first offer from ASDAM on 7 November 2024. Specifically, the offer price implies:

- 195% premium over the closing share price of QHL (6 November 2024), being immediately prior to the announcement of the first offer from ASDAM
- 123% premium over the 1 month volume weighted average price (VWAP) to 6 November 2024
- 109% premium over the 3 month VWAP to 6 November 2024.

We also highlight that QHL shares have not traded above $0.575 (being the Proposed Consideration) since January 2023 and have underperformed the broader Australian share market in recent periods.

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There is certainty in the cash consideration

The Proposed Scheme represents an opportunity for all QHL shareholders to realise their investment at $0.575 per share in cash.

If the Proposed Scheme is unsuccessful, QHL shareholders will continue to be exposed to the risks and rewards associated with a listed investment on the ASX. This includes risks associated with QHL's exposure to a limited number of large customers, the finite lifespan of its existing contracts, the challenge in realising replacement sources of revenue to mitigate this contract risk and the impact of recent change in Government in the US which is resulting in a change in US Government policy on imports (to the US) and focus on Government department expenditure. However, there are opportunities for QHL to expand into adjacent markets such as Guided Weapons and Explosive Ordnance (**GWEO**) which is supported by Australian Federal Government funding, as well as leveraging its engineering expertise to expand into other defence and autonomous vehicle markets.

The FY24 financial statements and the associated auditors report note that there is material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Whilst major restructuring initiatives have been undertaken by the company, the company does still carry substantial levels of debt. In the absence of the Proposed Scheme, QHL shareholders could continue to be exposed to such risks.

The likelihood of an alternative superior offer emerging is low

QHL, together with its advisers, has also sought to gauge interest in the business from a range of domestic and international strategic parties and financial sponsors. During the course of 2024, a process was undertaken to test interest in the company with a range of domestic and international strategic parties and financial sponsors, including ASDAM. A number of parties were provided access to select non-exclusive due diligence materials, which included presentations on the business by QHL management. Since the announcement of the Proposed Scheme, no competing proposal has been received and management consider the likelihood of this occurring to be low.

Based on this, we consider the likelihood of an alternative and superior proposal to be low.

QHL's share price may decline if the Proposed Scheme is not implemented and no superior proposal emerges

Immediately after the announcement of the initial offer by ASDAM on 7 November 2024, and the Proposed Scheme on 20 December 2024, QHL's shares traded within 3.5% of the offer price. This suggests to us that there is a high expectation that the Proposed Scheme will proceed.

In the months leading up to the announcement of the initial offer from ASDAM on 7 November 2024, QHL's share price was impacted by various events including the restructure, pricing renegotiations, earnings revisions, auditor concerns on the ability of the business to continue to operate as a going concern, and senior management departures. Whilst the restructure placed the business on a more stable financial footing, it had yet to translate into any notable increase in the share price prior to ASDAM's first offer.

We also highlight that our valuation of QHL, which has been undertaken on a control basis, takes account of certain benefits that QHL would not be able to realise on a standalone, ASX listed basis.

Noting the above factors, in the event the Proposed Scheme is unsuccessful and in the absence of an alternative offer QHL's share price may decline.

Substantial shareholders have not indicated whether they intend to vote in favour of or against Proposed Scheme

At the time of this report, a number of substantial shareholders who together own in excess of 25% of the shares in QHL and have not yet indicated whether they will vote in favour of or against the Proposed Scheme.

Consequently, there is risk that the Proposed Scheme may not be approved. If this is the case, QHL shareholders will not be able to realise the benefit of the Proposed Consideration and will continue to remain as shareholders of QHL.

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ASDAM may be able to realise additional benefits from the acquisition of QHL

ASDAM, with its existing business operations in advanced manufacturing, and ownership of Marand, a key customer of QHL, is likely to be able to realise synergies from a combination of its business activities with QHL. Whilst our valuation has taken account of certain synergies available to a buyer of QHL, it is possible that ASDAM is able to extract additional synergies that are unique to it and over and above those factored into our valuation of QHL.

Opinion

In our opinion, the Proposed Scheme is fair and reasonable, and therefore in the best interests of, QHL shareholders in the absence of a superior proposal.

An individual shareholder's decision in relation to the Proposed Scheme may be influenced by their particular circumstances. If in doubt the shareholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully



Tapan Parekh
Authorised Representative
AR Number: 461009
Deloitte Corporate Finance Pty Limited
AFSL Number 241457

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Glossary

Reference	Definition
$	Australian dollars
ASDAM	ASDAM Operations Pty Limited
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CPE	CPE Capital Pty Ltd and associated entities
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY	Financial year
GWEO	Guided weapons and explosive ordnance
H1 CYxx	First half of calendar year FYxx
H1 FYxx	First half of financial year FYxx
Implementation Date	Expected to be 5 May 2025

Reference	Definition
m	million
MRO	Maintenance, repair and overhaul
NPAT	Net profit after tax
QHL	Quickstep Holdings Limited
Proposed Scheme	The proposed transaction which was originally announced on 7 November 2024 but was agreed by way of the SID whereby ASDAM has agreed to acquire all of the issued shares in QHL for $0.575 per share
Scheme Booklet	Disclosure document in respect of the Proposed Scheme
SID	Scheme Implementation Deed in respect of the Proposed Scheme as announced on 20 December 2024
UAV	Uninhabited Air Vehicles
WACC	Weighted average cost of capital

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1 Overview of the Proposed Scheme

1.1 The Proposed Scheme

On 7 November 2024, ASDAM announced its intention to make an off-market takeover bid for Quickstep at a cash price of $0.40 per share. This announcement also referred to ASDAM having previously submitted an offer to the board of Quickstep to acquire 100% of the company by way of a scheme of arrangement at a cash price of $0.43 per share.

Whilst Quickstep acknowledged the announcement by ASDAM on 7 November 2024, on 8 November 2024, the company made an announcement that the preliminary view of the Board of Quickstep was that the offer did not adequately reflect the value for the Company and that the Board remained open to continuing discussions with ADSAM in respect of a control transaction.

On 20 December 2024, QHL announced it had entered into the SID with ASDAM.

Under the SID, ASDAM has agreed to acquire all of the issued shares in QHL for a cash consideration of $0.575 per share.

If the Proposed Scheme becomes effective, QHL shareholders will receive cash consideration of $0.575 for each share they hold in the Company on or around the Implementation Date which is currently expected to be 5 May 2025.

The Proposed Scheme must be implemented by 30 June 2025 unless QHL and ASDAM agree to an extension.

The Proposed Scheme was a consequence of a process that was carried out in 2024 to test interest in the company with a range of domestic and international strategic parties and financial sponsors, including ASDAM. A number of parties were provided access to select non-exclusive due diligence materials, which included presentations on the business by QHL management. ASDAM announced an initial takeover for QHL at $0.40 per share on 7 November 2024 which was followed by an improved offer of $0.575 per share on 20 December 2024 and formalised under the SID.

Further details on the background to the Proposed Scheme, the process of soliciting alternative proposals undertaken by the Board and their advisers, and interest received in respect of a control transaction involving QHL is set out in Section 4.1 of the Scheme Booklet.

1.2 Background to ASDAM

ASDAM is a leading sovereign defence, advanced manufacturing and sustainment company. It has capabilities across design, engineering, manufacturing, assembly and sustainment. ASDAM includes Marand, TAE Aerospace, Rosebank Engineering and Levett Engineering.

These businesses service a number of defence and non-defence programs and is Australia's largest supplier to the F-35 Joint Strike Fighter Program. ASDAM operates from 20 locations across Australia and the United States (**US**) and has approximately 1,000 employees. Customers include Lockheed Martin, BAE Systems, Honeywell, Pratt & Whitney and BHP. Marand is a key customer of QHL.

ASDAM is majority owned by entities managed and advised by CPE Capital Pty Limited (**CPE Capital**), an Australian private equity fund manager.

Further details on ASDAM and CPE Capital are included in Section 6 of the Scheme Booklet.

1.3 Key conditions of the Proposed Scheme

The Proposed Scheme is subject to various requirements or conditions including:

- shareholder approval in accordance with the requirements of the Corporations Act 2001 (Cth), being passed by:
  - a majority in number of the members, or members in that class, present and voting either in person or by proxy
  - 75% of the votes cast on the resolution.
- court approval
- customary conditions associated with no material adverse changes or prescribed occurrences.

QHL is liable for a fee of approximately $0.4m, payable under certain prescribed conditions in the event that the Proposed Scheme does not proceed. The fee conditions are set out in Section 9.4.4 of the Scheme Booklet.

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2 Basis of evaluation

2.1 Guidance

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report. ASIC has also issued Regulatory Guide 112 in respect of the independence of experts, but this provides very little guidance in respect of evaluating transactions.

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Accordingly, if an expert were to conclude that a proposal was 'reasonable' if it was in the form of a takeover bid, they will also be able to conclude that the proposed scheme is in the best interests of the members of the company.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target company
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the offer under the proposed scheme, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Scheme is in the best interests of QHL shareholders, we have adopted the tests of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

2.2 Approach to evaluation of fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company.

Accordingly, we have assessed whether the Proposed Scheme is fair by comparing the consideration offered with the value of a share in QHL on a control basis.

QHL shares have been valued at market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a QHL share has not been premised on the existence of a special purchaser.

We have assessed whether the Proposed Scheme is fair by comparing the value of a QHL share to the value of the consideration to be received from ASDAM. We have assessed the value of each QHL share by estimating the current value of QHL on a control basis and dividing this value by the number of shares on issue.

If QHL shareholders are receiving equal to, or more than, our assessment of the market value of QHL shares, then the Proposed Scheme would be fair. If the consideration is less than our assessment of the market value of QHL shares, then the Proposed Scheme would be not fair.

2.3 Approach to evaluation of reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Scheme we considered the following factors in addition to determining whether the Proposed Scheme is fair:

- the extent to which QHL shareholders are receiving a premium for control
- the likely market price and liquidity of QHL shares in the absence of the Proposed Scheme
- cash flows or other benefits available to ASDAM upon achieving 100% ownership of QHL
- the fact that the Proposed Scheme allows QHL shareholders to realise their investment in QHL and removes uncertainty regarding the execution of QHL management's strategy
- the value to an alternative bidder and the likelihood of an alternative offer being made
- whether any other alternatives exist and the advantages and disadvantages of such alternatives
- other implications associated with QHL shareholders rejecting the Proposed Scheme.

2.4 Limitations

This report should be read in conjunction with Appendix 5.

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3 Profile of QHL

3.1 Company overview

Established in 2001, QHL is Australia's largest independent aerospace engineering and manufacturing company, operating in Defence, UAV (**Uninhabited Air Vehicle**) or more commonly referred to as drones, Space, GWEO, and advanced composite solutions.

Key milestones in QHL's history are set out in the table below.

Table 3: Corporate timeline

Year	Events
2001	Incorporated through the establishment of an R&D facility in Western Australia
2005	Listed on the ASX
2007	Commenced composite manufacturing trials in the US with GE Aviation and Sikorsky Aircraft Corporation at the North American Quickstep Centre of Excellence (**NAQCE**) in Ohio, enabling North American customers to test the Quickstep Process and evaluate potential benefits for their manufacturing processes
2008	Commenced manufacturing of aircraft parts at its facility in Perth
2011	Officially opened its new manufacturing facility in Bankstown, NSW having relocated from Western Australia to meet increased production demand
2011	Signed contract with Northrop Grumman to manufacture components for the F-35 Joint Strike Fighter military aircraft
2012	Received initial purchase order from Lockheed Martin for its C-130J Super Hercules contract
2015	Opened its global research and development centre in Geelong, VIC and secured contracts with Marand to provide vertical tail parts
2021	Acquired Boeing Australia Component Repair (including its facility and inventories) establishing a presence at Tullamarine (Melbourne Airport)
2021	Launched (Quickstep Advanced Air Mobility (**QAAM**)) to develop capability for UAVs for the global market
2022	Awarded maintenance contract with Jetstar of the V2500 Engine Nacelles
2022	Established 3 lines of business (Aerostructures, Aftermarket and Applied Composites) to improve segment focus, enable a more tailored approach to business management, and optimise resource and capital allocation
Jan 2024	Carried out an organisational change to align QHL's business structure with key priorities and formed 4 business segments – Structures, Services, USA and Corporate. The Applied Composites (drones) business was absorbed into Corporate and Aftermarket became known as Services.
Jul 2024	Restructured the Structures business unit to optimise its operating model and announced its intention to sell Quickstep Aerospace Services (Services)
Nov 2024	Received initial takeover bid from ASDAM at $0.40 per share
Dec 2024	Entered into SID with ASDAM at $0.575 per share

Source: 2023 Investor Presentation, ASX announcements, QHL annual reports

QHL currently operates out of two locations in Australia and has 209 employees. By the end of February, QHL would have exited the Maintenance, Repair and Overhaul (**MRO**) facility at Tullamarine as part of the wind down of the Services business (refer section 3.2.3).

Table 4: QHL facilities

Location	Facility Type	Focus
Bankstown, NSW	Aerospace Composite Manufacturing Plant	Advanced composite components for aerospace applications such as the C-130 and F-35 defence programs. This is an ITAR, AS9100 and Nadcap Certified facility
Geelong, VIC	R&D Centre of Excellence	Research and development for composite materials and processes, including prototyping capabilities. Also, low-rate manufacturing of small and medium UAVs

Source: Company website

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Staying at the forefront of technological developments in the industry is an important aspect of maintaining competitive advantage. With this in mind, QHL actively undertakes research and development activities and has established several key partnerships with educational institutions, organisations and industry collectives, specifically:

- **Advanced Fibre Cluster Geelong (AFCG):** Founding member, collaborating with universities and other composite companies to support the advanced fibre and composites industries
- **Australian Composites Manufacturing (ACM CRC)**: Founding member of ACM CRC where QHL partner with universities (Deakin, RMIT and University of NSW (**UNSW**)) to develop new manufacturing processes for drone and hydrogen tanks and new material solutions such as high temperature materials for the use in Hypersonic craft
- **Deakin University:** QHL has a Strategic Research and Education Agreement with Deakin University through undergraduate and PhD projects through departments such as the Institute of Frontier Materials (**IFM**), the Institute for Intelligent Systems Research and Innovation (**IISRI**) and Carbon Nexus with research focused on improving the manufacturing process and development of new processes and materials
- **RMIT University:** ACM CRC, RMIT and Quickstep are optimising drone aerostructures for range through aerodynamics and weight minimisation. Quickstep is also developing optimised designs for manufacture of hydrogen tanks and drone booms through the use of braiding with RMIT.
- **NSW Government Clean Technology:** partnered with the NSW Office of the Chief Scientist to develop hydrogen drone systems
- **Victorian Government:** partnered with the Victorian Government to grow the drone eco-system in Geelong
- **UNSW:** QHL are developing a number of filament wound solutions with UNSW such as hydrogen fuel tanks and optimised rocket motor casings
- **Advanced Manufacturing Readiness Facility** (**AMRF**): QHL collaborate with AMRF assisting in facility design for composite manufacturing
- **Swinburne:** through AirHUB, QHL have developed hydrogen drone conversions and design of hydrogen powered drones
- **ASML:** Partnering with Urban Air Mobility start-up to produce carbon fibre components for prototypes and assess future manufacturing requirements

3.2 Operational overview

QHL is segmented into the following business units: Structures; Engineering and Development (Drones) previously referred to as QAAM, Services and Corporate.

3.2.1 Structures

The Structures business unit generates revenue primarily through the manufacturing of advanced composite parts for aerospace applications, which are sold under long-term contracts with major aerospace and defence companies. These contracts are based on agreed pricing and a relatively steady stream of volumes, with customers often supporting by way of upfront payment to assist QHL in funding the purchase of raw material inputs which can often have long lead times. The purchase of raw materials, and sale of finished product is predominantly in US dollars. The manufacturing process is undertaken at QHL's facility in Bankstown, Sydney.

QHL sources carbon fibre prepreg materials from US based specialised suppliers to meet industry standards in aerospace and defence. Their manufacturing process, which adopts a number of the technologies used in the advanced composite manufacturing industry outlined in Appendix 1, involves several key steps including:

- **Material Cutting:** The process begins with precise cutting of carbon fibre prepreg using CNC[2] ply cutters to ensure accurate dimensions and fibre orientation
- **Layup Process:** The cut plies are laid up in temperature-controlled clean rooms, utilising laser-guided projection systems to ensure accurate placement
- **Curing Methods:** QHL employs multiple curing methods, including autoclave curing and post cure oven
- **Quality Control:** To maintain quality, QHL implements mechanical, ultrasonic NDT (**Non-Destructive Testing**) and thermal testing along with optical microscopy for thorough inspection of the composite parts.

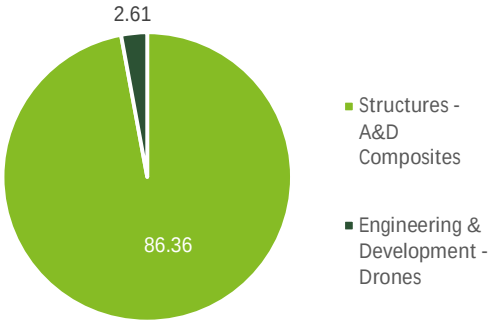
As is evident through the above, the manufacturing process used by QHL to service customer demand is both technology and manpower intensive, requiring a skilled labour force.

[2] Computer Numerical Control and represents a computer-controlled machine that cuts, shapes and finishes the carbon fibre

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As outlined in Figure 1 and Figure 2, the Structures unit generates nearly all of QHL's revenue with the largest proportion coming from customers in the United States, followed by Australia.

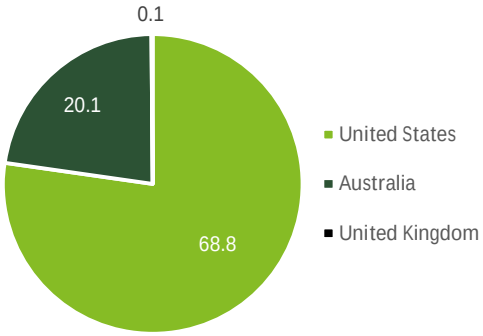
Figure 1: FY24 revenue (from continuing operations) by business unit (AUDm)



Note:
1. Based on continuing operations revenue of AUD89.0m which includes revenue from other business units

Source: FY24 Financial results announcement

Figure 2: FY24 geographical revenue (from continuing operations) spread (AUDm)



Note:
1. Based on continuing operations revenue of AUD89.0m which includes revenue from other business units

Source: FY24 Financial results announcement

QHL has a global client base and is an approved supplier to the International F-35 Lightning II Joint Strike Fighter (**JSF**) Project. Key customers include Northrop Grumman Corporation, Lockheed Martin Corporation and Marand Precision Engineering which represent almost all of Structures' revenue. The unit produces components such as parts for the JSF Project and C-130J wing flaps. These key customers and the products provided are explained further in Table 5.

Table 5: Key customers

Customer	Products Provided
Lockheed Martin	Composite wing flaps for the C-130J Super Hercules military transporter and LM-100 commercial aircraft variant. QHL has recently secured additional volume and increased pricing for the C-130 program post-MYIII contract, covering deliveries from February 2025 to December 2029 with pricing adjustments effective from February 2025.
Northrop Grumman	31 fuselage components, including doors, panels, and skins for the F-35 JSF. QHL have received purchase orders up to lot 20, firming the demand for component production through to FY27.
Marand Precision Engineering	Components for the JSF program, including support for various aerospace applications. QHL has successfully executed agreements for vertical tail component production. The contract spans production from September 2024 to June 2026, and includes pricing adjustments effective from September 2024.

Source: Company Website, ASX Announcements

In FY24, the above three customers represented 97.1% of the revenues from continuing operations.

In June 2024, in response to decreased customer demand due to excessive inventories in the global supply chain, QHL announced a restructure of the Structures business unit to optimise its operating model. This included reducing the direct production and operational support workforce, transitioning to a leaner operational framework by shifting from a 3-shift to a 2-shift operating pattern, enhancing efficiencies within the leadership, quality, procurement, and engineering teams, aligning processes to better meet customer demand, and reduce inventory based on a just-in-time principles. Refer to Section 3.7 for further detail on the restructure.

QHL also recently announced updates on major contracts with these customers which reflect mutually acceptable volumes and pricing adjustments to account for this excess inventory in the global supply chain. Refer to Section 3.43.4 below which outlines the impact of these pricing renegotiations. on page 17

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3.2.2 Engineering & Development - Drones

In 2021, QHL launched a new vertical, QAAM, which develops advanced UAV systems tailored to various applications and is based out of QHL's Geelong facility. Its customers' product range includes high-performance drones designed for surveillance, transport, and other specialised tasks. QHL's customers' UAVs serve multiple sectors, including defence, security, and commercial industries. In defence, their UAVs provide support for intelligence, surveillance, and reconnaissance missions. For commercial applications, they offer solutions for agriculture, infrastructure inspection and environmental monitoring. As shown in Figure 1 above, the drones business currently represents a small portion of revenue. In the FY24 Annual Report, revenue associated with this business unit is presented within the Structures business, however, QHL views this division as a separate business unit.

In building the drones, QHL utilises its patented out-of-autoclave system, AeroQure™, which differs from traditional composite curing techniques, as it utilises a fluid-based out-of-autoclave method that applies heat and pressure through a Heat Transfer Fluid. This allows for low setup costs, shorter cure cycles, reduced energy consumption, enhanced design flexibility, and the capability to produce complex integrated parts.

Key customers have included Swoop Aero and Carbonix of which QHL obtained an ownership interest in both of these companies. At the time of investment, both companies held capabilities in the design, manufacture and operation of uninhabited solutions with Swoop Aero focused on cargo applications and Carbonix focused on commercial and military applications. QHL signed a contract with Swoop Aero in 2021 to develop low volume and low-cost tooling for the early production runs of Swoop's Kite drone which is used to deliver medical supplies in remote locations. In April 2023, QHL signed its initial contract with Carbonix to manufacture 40 long-range UAVs, which was subsequently renewed due to successful delivery under the initial contract.

Despite these contract wins, Swoop Aero and Carbonix are small, early-stage customers which are continuing to face challenges in proving their business models. This is compounded by the current economic environment and their dependence on government contracts and procurement processes and systems, making it difficult for QHL to secure stable order volumes and timely payments.

As announced in June 2024, QHL is enhancing its Geelong facility to support prototyping for drone components as part of a $1.3m development program. This will be part funded by a $0.9m grant from the Commonwealth Department of Science, Industry and Resources under the Moon to Mars initiative. Further information on Government spending commitments in the industry can be found in Appendix 1.

3.2.3 Services (Discontinued operation)

Established in 2021 through the acquisition of Boeing Defence Australia's aerospace MRO capability based in Tullamarine, the Services business unit specialised in MRO services for aerospace components. Jetstar Airways was a key customer benefiting from QHL's aircraft component support and services. Additionally, QHL partnered with ST Engineering to deliver nacelle MRO services across the Australasia region.

Whilst the business unit generated significant revenue growth, it faced challenges due to slower than anticipated demand growth in the domestic commercial and defence sectors, leading to operating losses. In June 2024, QHL decided to divest the Services business unit following an internal review and instead focus resources on its core Structures business. Having not received any suitable offer from a sale process, a decision was made in late October 2024 to wind down the business unit post formal closure on 31 October 2024. The wind down will be finalised by March 2025, following exit of the Tullamarine lease.

3.2.4 USA initiative

Historically, QHL has sought to establish a physical presence in the US in an attempt to better capitalise on opportunities emanating from its largest market and key customer base. This started in 2007 with manufacturing trials at the NAQCE, followed by the establishment of a business development and supply chain management office in Dallas, Texas and the selection of Wichita, Kansas as the preferred site for its first US production facility in July 2023. Despite these efforts, QHL has since refocused its efforts on its core Structures business and has subsequently scaled back its ambitions for the foreseeable future by closing its Dallas office and limiting its activities.

3.2.5 Corporate

The Corporate unit encompasses management, administration, research, design, and development operations. This unit supports the overall strategic direction and governance of the company, including managing financial risks such as foreign exchange exposure and supply chain cost inflation.

3.3 Key management and employees

The QHL executive leadership team has undergone a number of changes during the past year to facilitate the achievement of the company's refined strategy and in response to the evolving operating environment. Longstanding Chief Executive Officer (**CEO**) Mark Burgess resigned in October 2024 and Demi Stefanova (formerly Chief Operating Officer) was promoted to interim CEO, ahead of process to appoint a new CEO and Managing Director. Additionally, Martyn Dominy was appointed as interim Chief Financial Officer (**CFO**) in November 2024.

Set out below is the executive leadership team of QHL:

Table 6: QHL's management team

Name and current position	Experience	Time in role
Demi Stefanova Interim CEO	Joined QHL in May 2022 as the Group COO and became the interim CEO on October 4, 2024. Has over 20 years of C-suite experience, including driving global strategy execution and leading complex, high-growth operations across geographies. Holds an MBA, Masters of Engineering (Project management), a Bachelor's in Industrial Engineering and a degree in Applied Arts.	4 months
Martyn Dominy Interim CFO	Joined QHL as the Interim CFO on November 8, 2024, to support the company during its restructuring program. Has senior experience in various infrastructure sectors, including aviation and rail. Holds a Bachelor of Commerce from the University of Canberra and is a member of CPA Australia.	3 months
Sarah Hart Head of People & Culture	Appointed Head of People & Culture at QHL in 2021, having joined the company as a HR Business Partner in 2019. Has 20 years of HR and payroll experience in retail, government, forestry and manufacturing. Holds a Bachelor of Business (HRM and IR) from the University of Western Sydney.	4 years
Josh Scanlon Head of New Programs	Joined QHL as the Executive General Manager in January 2022, leading the Aerostructures business unit, a significant revenue contributor. He was appointed Head of New Programs in January 2024. Has over 20 years in the aerospace sector, holding various leadership roles including General Manager at Boeing's 787 Final Assembly line.	1 year
Luke Preston Head of Development Engineering	Joined QHL as the Head of Technology and Partnerships in November 2022. Was appointed as the Head of Development Engineering in May 2024. Has experience as a manufacturing and engineering executive with a focus in Lean Manufacturing, Design Engineering, and Project Management within the global automotive industry.	1 year

Source: Annual report, ASX announcements, QHL website

Approximately 90% of QHL's workforce is based at the Bankstown facility, with the remainder situated in Geelong. Approximately 75% of the employees work in operations, primarily as tradespeople receiving initial in-house training through six-week modules. The next largest group, approximately 15%, consists of engineers who hold university qualifications in engineering and often have aerospace or aviation experience. The remaining staff work in supply chain, finance, commercial, and human resources.

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3.4 Historical financial performance

The financial performance of QHL for the financial years ended 30 June 2023 (FY23), 30 June 2024 (FY24) and six months ended 31 December 2024 (H1FY25) is set out below.

Quickstep is required to adopt prevailing accounting standards under IFRS and in line with this the financial statements publicly disclosed (including those disclosed in the Scheme Booklet) by the Company and presented below have been prepared taking account specifically of AASB 16. AASB 16 introduces a concept referred to as a single lessee accounting model that requires lessees (in this case Quickstep) to recognise assets (right of use assets) and liabilities (lease liabilities) for all leases with a term of more than 12 months. In addition, it replaces the recognition of cash rental expense with amortisation (of the right of use asset) and principal and interest expense (relating to the lease liability). In the context of any calculated EBITDA based on financial statements prepared having regard to this standard, it inflates EBITDA (because of the exclusion of cash rental expenses).

Table 7: Historical financial performance of QHL

AUDm	FY23	FY24	H1FY25
Structures - A&D Composites	87.4	86.4	36.9
Engineering & Development - Drones	1.7	2.6	1.1
Total revenue	**89.0**	**89.0**	**38.0**
Cost of goods sold	(75.8)	(74.7)	(29.7)
Gross Margin	**13.3**	**14.2**	**8.2**
Other income	0.1	0.5	-
Research and development expenses	(0.9)	(2.3)	(1.1)
Business development expenses	(1.2)	(1.1)	(0.2)
Corporate and administrative expenses (excl. Depreciation and Amortisation)	(6.3)	(6.4)	(3.3)
EBITDA (Continuing operations - Post AASB 16)	**4.9**	**5.0**	**3.7**
Depreciation and amortisation	(3.4)	(4.0)	(1.9)
EBIT (Continuing Operations)	**1.5**	**1.0**	**1.8**
Net finance costs	(2.7)	(1.7)	(1.4)
Profit before Tax (Continuing Operation)	**(1.2)**	**(0.7)**	**0.3**
Income tax benefit / (loss)	0.5	(0.4)	(0.5)
Impairment expense	-	-	(0.4)
Other comprehensive income / (loss) for the period, net of income tax	0.3	0.1	(0.4)
Asset revaluation	-	-	(3.0)
Profit / (loss) after income tax expense from discontinued operations	(5.0)	(3.7)	(6.5)
Total comprehensive income for the year[3]	**(5.4)**	**(4.6)**	**(10.4)**
Operating metrics			
Revenue growth%	6.9%	(0.1)%	(14.6%)[2]
Gross margin %			
QHL - continuing operations	14.9%	16.0%	21.7%
Structures	16.0%	17.2%	23.0%
E&D - Drones	(59.0%)	(23.4%)	(39.0%)
Statutory EBITDA margin %	5.5%	5.6%	9.6%

Notes:
1. Relates to government grants and gains from the disposal of property, plant and equipment
2. Annualised
3. This equates to the comprehensive loss for the period as outlined in Section 5.4.2 of the Scheme Booklet.

Source: FY24 Annual report, H1 FY25 Interim Financial Report, QHL management, Deloitte Corporate Finance analysis

We have presented the historical financial performance of the continuing operations of QHL given the decision to cease operating the Services business effective 31 October 2024 and wind it down. Although the Services business had experienced significant increases in revenue in recent years the business historically generated losses which reduced the profitability of the Group.

The Structures business unit accounted for 98.1% and 97.1% of QHL's continuing operations in FY23 and FY24, respectively, and was underpinned by long term contracts with the 3 key customers as outlined in Section 3.2.1. Current production lots under these contracts have agreed pricing and volumes which lead to stable revenues and margins in the medium-term. Pricing (while CPI linked) and volumes for future lots are subject to negotiation under open book pricing arrangements, and may accordingly result in reduced revenues and / or margin pressure. The Drones business unit generates losses due to its subscale and some challenges being experienced by its customers.

Growth for the Structures business in FY24 was negative reflecting a reduction in demand resulting from excess supply chain inventories as well as the fact that volume in FY23 included a component of 'catch up' sales due to downtime in FY22. The decrease in revenue in the Structures business unit in FY24 was partially offset by improvements in Engineering & Development activities (via QHL's drone contracts) which increased its revenue by 57% to $2.6m on the back of increased drone production for partner companies.

The impact of the excess supply chain inventories has continued into H1 FY25. However, recent management actions related to renegotiated contracts with favourable volume and pricing adjustments are expected to flow through via improved revenue from February 2025.

QHL's direct material cost base has remained relatively steady over recent years with the largest proportion related to the cost of input materials. In certain situations, customers assist QHL in funding the purchase of inputs by way of making upfront payments to QHL. This is offset against the invoice when the finished goods are delivered to the customer.

Other major cost contributors are labour and production costs, which have reduced post-restructure of the Structures business given a more efficient manufacturing process and a reduced workforce. This restructure (refer to Section 3.2.1 above) has improved the business based on efficiencies in the production process and better alignment with customer demand. Whilst it was implemented at the start of FY25, it has led to improved margins in H1 FY25, with additional improvement expected in H2 FY25.

The increase in research and development costs in FY24 was largely attributable to the drones business as production ramped up and the company invested in the expansion of its Geelong facility. Corporate and administrative expenses include a restructuring provision of $1.6m in FY24 (nil – FY23) relating to the Structures business. Depreciation and amortisation largely relates to property and equipment (i.e. leased property and equipment) and, to a lesser extent, office furniture and software. Director costs were $0.5m in FY23 and FY24 and amounted to $0.2m in H1 FY25 and relate to fees paid to four non-executive directors. Annual listing costs were c.$0.1m.

Net finance costs mainly comprise of interest and finance charges on borrowings and lease liabilities, and a small adjustment for gains/(losses) on foreign currency. QHL adopts foreign exchange hedging given the reliance on sales from both key customers which are billed, and raw materials which are sourced, in USD. Hedging is done by way of entering forward contracts by hedging against purchases where they take a forward-looking position to purchase currency to meet the demand profile. These hedges are cash settled. QHL have an externally managed treasury function that helps manage these forward contracts.

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3.4.2 Normalisation of EBITDA

QHL management's assessment of normalised EBITDA for FY23, FY24 and 1HFY25 is set out in the table below.

Table 8: Normalisation of EBITDA

$m	Reference	FY23	FY24	H1FY25
EBITDA (Post AASB 16, Continuing Operations)	Table 7	**4.9**	**5.0**	**3.7**
Rent expense		(2.3)	(2.4)	(1.3)
EBITDA (Pre AASB 16, Continuing Operations)		**2.6**	**2.6**	**2.4**
Add back:				
Customer provisions		-	-	0.6
Abnormal employee restructuring costs		0.5	-	-
Redundancy expense		-	1.6	0.1
Legal accrual writeback		(0.4)	-	-
Abnormal advisory costs		-	0.1	0.2
Other		-	-	(0.1)
EBITDA (Normalised, Continuing Operations)		**2.7**	**4.2**	**3.1**
Normalised EBITDA margin		3.0%	4.9%	8.2%

Notes:
1. Excludes goodwill impairment
Source: FY24 Annual report, H1 FY25 Interim Financial Report, QHL management, Deloitte Corporate Finance analysis

The normalisation adjustments primarily relate to the following items:

- **Customer provisions:** reflects uncertainty on payment for goods produced for a customer and write-off of customer specific inventory
- **Abnormal employee restructuring costs:** reflects once-off employee restructuring costs relating to a restructure of the engineering department (specifically R&D) across both the Bankstown and Geelong facilities
- **Redundancy expense:** in FY24 this relates to a c. 20% reduction in headcount of the Structures business, including operational support, to optimise the operating model in light of a reduction in customer demand for F35 components. In H1 FY25, this pertains to termination costs associated with the departure of certain executives offset by the part reversal of the redundancy provision relating to the Structures business
- **Legal accrual writeback:** removal of writeback of legal accruals (previously held by a foreign controlled entity in Germany) which was no longer necessary and which positively impacted the financials in FY23
- **Abnormal advisory costs:** comprise costs of external advisors for non-operational matters
- **Other:** relates to removal of expenses associated with a grant which will be received in H2 FY25 and a share based payment expense reversal due to the incentive scheme not vesting.

Increased normalised EBITDA margin has been driven by the organisational change adopted in H2 FY24, aligning QHL's business structure with key priorities followed by the restructure of the Structures business unit resulting in greater efficiencies and better alignment with customer demand which is flowing through to improved margins in 1H FY25. Management anticipate that the full impact of the restructure of the cost base and the renegotiation of contracts with customers will flow through to improved EBITDA in H2FY25.

3.5 Historical financial position

The financial position of QHL as at 30 June 2023, 30 June 2024 and 31 December 2024 is set out below.

Table 9: Historical financial position of QHL (Consolidated)

AUDm (unless otherwise stated)		30 June 2023	30 June 2024	31 December 2024
Trade and other receivables		12.6	10.7	3.0
Inventories		11.4	8.7	9.1
Contract assets		10.8	11.5	12.8
Trade and other payables		(12.5)	(9.0)	(7.5)
Contract liabilities		(8.9)	(13.3)	(15.9)
Other net assets[1]		(0.8)	0.1	(0.3)
Net working capital	**(A)**	**12.7**	**8.7**	**1.2**
Property, plant and equipment		10.6	9.1	8.7
Right-of-use assets[2]		8.7	6.7	6.8

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Lease liabilities[2]		(10.2)	(9.3)	(9.5)
Lease make good provision		(3.2)	(3.2)	(3.2)
Fixed assets and intangibles	**(B)**	**5.9**	**3.3**	**2.9**
Operating net assets (Continuing Operations)	**(C) = (A) + (B)**	**18.6**	**12.0**	**4.1**
Cash and cash equivalents		3.5	5.3	8.9
Borrowings		(13.3)	(12.1)	(11.8)
Net cash/(debt)	**(D)**	**(9.8)**	**(6.8)**	**(3.0)**
Net Assets (Continuing Operations)	**(E) = (C) + (D)**	**8.8**	**5.2**	**1.2**
Net assets (Discontinued Operations)	(F)	4.0	4.3	(0.2)
Investments (Surplus)	(F)	3.0	3.6	0.5
Deferred taxes (Tax losses)	(F)	1.4	1.4	1.4
Other provisions[3]	(F)	-	(1.6)	(0.7)
Statutory Net Assets (Group)[4]	**(G) = (E) + sum (F)**	**17.2**	**12.8**	**2.2**

Operating metrics			
NWC % of revenue	14.2%	9.8%	1.6%

Notes:
1. Comprise of prepayments, net position on forward FX contracts, deferred taxes (excluding those related to tax losses and AASB 16), and employee benefits and obligations
2. Net of deferred taxes
3. Other provisions in FY24 relate to a restructuring provision associated with the Structures business. For 1H FY25, other provisions relate to a reclassification of a prior settlement paid to a departing executive, and grant previously received in respect of the Services business which Quickstep may need to repay given the wind down of that business
4. This reconciles with the total equity balance for the period as outlined in Section 5.4.3 of the Scheme Booklet.

Source: FY24 Annual report, H1 FY25 Interim Financial Report, QHL management, Deloitte Corporate Finance analysis

Similar to our analysis of the financial performance of QHL outlined in Section 3.4, the continuing operations excludes the Services business which is captured in discontinued operations.

Since June 2023, there has been a general reduction in net working capital which reflects lower demand in the Structures business as a result of global excess supply chain inventories. The impact of the renegotiated contracts can be seen through the increase in contract liabilities in H1 FY25 (i.e. greater customer prepayments reflecting support from key customers alongside committed volumes).

Contract assets relates to work performed but not billed at the reporting date while contract liabilities is an advance received from customers to fund raw materials and parts required to manufacture customer orders. Once finished goods are shipped, customers receive a reduced invoice, to account for the advance payment under the Payment Based Performance program.

The lower levels of property, plant & equipment since June 2023 reflect recent efforts aimed at improving operational efficiency along with changes in operational requirements. Historically, capital expenditure primarily was maintenance related with some additional growth capital expenditure for equipment, facility expansion and growth in the Services business. Management expect ongoing maintenance capex to approximate $1m per year.

Right-of-use assets and lease liabilities largely relate to the rental of the two continuing operating facilities (Bankstown and Geelong), including some operating equipment, which are both described in Section 3.2.1. The lease make good provision represents the costs associated with the future restoration of leased premises (e.g. removal of leasehold improvements and repair of any associated damage) at the end of the respective lease terms of QHL's Bankstown and Geelong facilities.

Net assets of the Services business primarily consists of trade payables and receivables, inventories, property plant and equipment and software, right-of-use assets and lease liabilities (including make good provision). These assets and liabilities will be liquidated by the Implementation Date.

Investments include $2.0m in Swoop Aero and $1.0m in Carbonix, which both specialise in the design, development, manufacture, and operation of UAVs. Swoop Aero entered liquidation during H1FY25 and management are of the view that the investment is not recoverable and has a fair value of nil. The investment in Carbonix was written off at 31 December 2024 given current market conditions and uncertainty over future customer contracts. Recently, QHL also invested USD 0.35m in TB2 Aerospace LLC (USA), which has a patented drone payload interface system.

Management recognised $1.4m in tax losses despite QHL having $70.8m in gross unused tax losses as at 31 December 2024. QHL considers it prudent to defer recognition until the company generates taxable income more consistently.

Restructuring provision relates to the group providing for redundancy expenses in the Structures unit as explained in Section 3.4.2 above. These restructuring costs were incurred in H1 FY25.

3.6 Shareholders and capital structure

3.6.1 Substantial shareholders

The substantial shareholders as at 31 January 2025 are set out below.

Table 10: Substantial shareholders[1]

Holder	Nominee	Securities held (m)	Ownership (%)
Harvest Lane Asset Management Ltd	BNP Paribas Nominees Pty Ltd, Palm Beach Nominees Pty Ltd	12.6	17.6%
Australian Super[2]	JP Morgan Nominees Australia Pty Limited	7.5	10.4%
Subtotal – Substantial holders		**20.1**	**28.0%**
Other		51.6	72.0%
Total		**71.7**	**100.0%**

Note:
1. Numbers may not reconcile due to rounding.
2. Shares held by JP Morgan Nominees Australia Pty Limited are predominantly held by Australian Super

Sources: QHL management, ASX announcements

Harvest Lane Asset Management Ltd announced their ownership interest on 12 November 2024 (6.25%) and since that date, and as recently as 7 February 2025, has been increasing their interest (which stands at 19.46% at the date of this report).

The QHL Board collectively own less than 1% of QHL.

3.6.2 Capital structure

As per the Scheme Implementation Deed, there are 71,726,214 quoted shares available for trading on the ASX. There are no performance rights or options on issue.

As at 31 December 2024, QHL had the following external debt facilities in place:

Table 11: Financing Facilities

Facility	Expiry	Effective interest rate	Total Facility	Amount drawn
Secured loan facility	March 2026	7.48%	$1.8m	$1.8m
Working capital facility	June 2026	7.48%	$10.0m	$10.0m
Overdraft facility	n/a	11.93%	$2.3m	$0.0m

Source: Annual Report, Appendix 4C, H1 FY25 Interim Financial Report

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In March 2023, QHL entered into a loan agreement with Commonwealth Bank of Australia (**CBA**) to refinance its existing ANZ and Export Finance Australia facilities. The new arrangement included a $10.0m working capital facility and a $3.6m term loan. Both facilities have a variable base rate and a fixed margin. The term loan reduces by $0.3m each quarter and is secured against QHL's working capital.

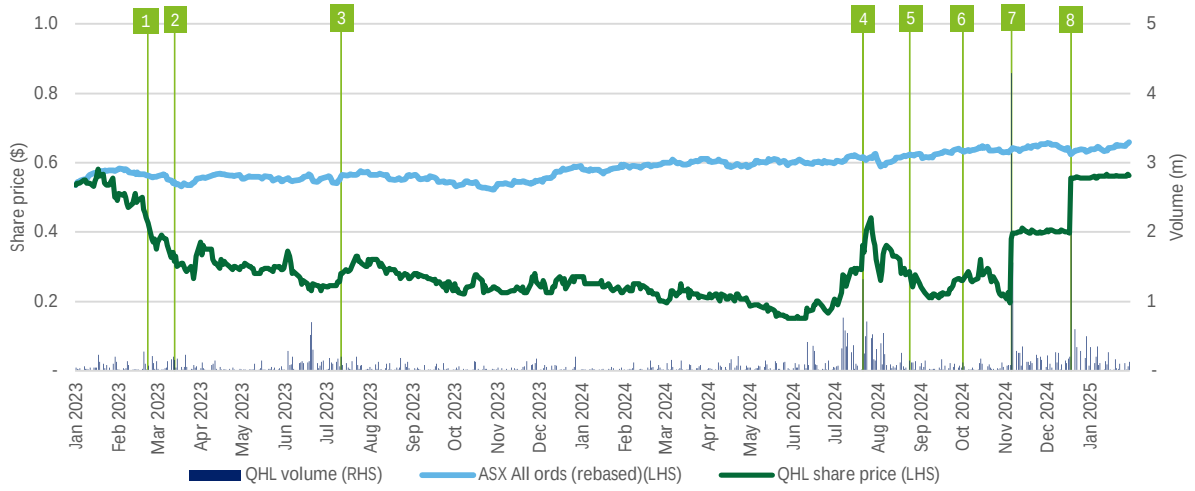
The overdraft facility was obtained to finance the restructure of the of the Structures business. This facility was repaid in full in December 2024 with a full redraw occurring in January 2025. This facility was previously netted against cash when presented on the balance sheet.

Given QHL's profitability, QHL has exceeded its EBITDA and Debt Service Cover covenants since FY23. Prior to 30 June 2023, CBA granted a waiver and modified the covenant compliance dates for June and September 2023. On 30 June 2024, QHL management received an unconditional waiver from CBA, confirming that the loan was not repayable on demand despite exceeding covenants in Q4 FY24. In FY25, no covenants were set for Q1, and those for Q2 were waived. These covenants will be measured quarterly on a continuing basis. In addition, a $0.3m repayment for the term loan which was originally scheduled for Q2 FY25 was deferred. In anticipation of Q3 and Q4 FY25 also being deferred, QHL will be making quarterly payments of $0.6m across September 2025, December 2025 and March 2026 to catch up the deferrals.

3.6.3 Share price performance

The share price performance of QHL relative to the broader market is summarised in the figure below.

Figure 3: QHL share price performance up to 31 January 2025



Note:
1. Numbered items in graph are reflected throughout the commentary below
Source: S&P Capital IQ, ASX announcements, Deloitte Corporate Finance analysis

Since early 2023, QHL's share price has underperformed the broader Australian share market, which is largely a result of earnings underperformance, a challenging operating environment in key business segments, unexpected changes in the executive leadership team, and the need for significant restructuring efforts across the business.

A significant portion of this share price decline occurred during the first half of CY2023 and aligns with the reductions in H1FY23 revenue and net profit compared to the prior corresponding period **(1)** followed shortly thereafter with the departure of the company's CFO in March 2023 **(2).** This resulted in a period of uncertainty for investors surrounding the future direction and stability of the business.

In July 2023, QHL experienced a slight recovery in its share price which was driven by the announcement of a Memorandum of Understanding with Alliance Airlines for a multi-year component repair agreement to support the airline's growing fleet of Embraer E190 aircraft, as well as the announcement of the preferred location for a potential manufacturing facility in the US **(3)**. Throughout the remainder of FY24, QHL's share price tracked a relatively slow decline which did not appear to be driven off any notable announcements and therefore may have been caused by the absence of any substantive improvement in the business over this time.

QHL's share price experienced significant volatility during 1HFY25 which could be attributed to positive news from the completion of the restructure, finalisation of pricing renegotiations with key customers, and earnings upgrades**(4)**, followed by auditor concerns on the ability of the business to operate as a going concern **(5)** and senior management departures **(6)**.

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The announcement of an offer ($0.40 per share initially **(7)**, followed by $0.575 per share revised **(8)** from ASDAM in November and December 2024 respectively, to acquire QHL led to structural shifts in the share price to approximate these offer prices.

3.7 Strategy and outlook

Having restructured the cost base of the business in late FY24 and H1FY25, and renegotiated pricing with key customers with the impact of this expected to flow to revenues in H2FY25, management anticipate a substantial increase in the EBITDA of the business in H2FY25.

QHL's strategy going forward is centred on the following areas which would require capital investment:

- **Expansion into adjacent markets:** As explained further in Appendix 1, the Australian Federal Government has committed funding to the GWEO industry including sub-divisions which has resulted in an opportunity for QHL to support local GWEO manufacturing capabilities in the future (currently only in R&D phase). QHL has also identified the following adjacent sectors as key growth opportunities:
    - **Air Mobility and Space:** Drive growth in space programs and other air mobility verticals
    - **Engineering:** Next-generation products and solutions that are scalable and meet next generation needs
- **Leverage efficiencies from restructure of the Structures business:** The recent restructure was a major strategic change for QHL. With this now being fully implemented, the strategy going forward is to leverage the efficiency gains from the Structures business. These efficiencies are unpinned by just-in-time principles for inventory, better alignment of production with customer expectations and the fundamental pillars of the newly established Quickstep Production System (**QPS**) which empowers more autonomy, utilising technology to streamline planning and workflow processes and the adoption of a leaner leadership organisation
- **Engineering-led Growth:** Leverage engineering talent to drive growth in composite components, expanding further into defence and autonomous vehicle markets. Further initiatives include customer-funded programs to build a robust pipeline of new production initiatives

Other longer-term options include expansion into the US in order to increase its exposure to its largest market, better service its key customers via local manufacturing, and access opportunities in the emerging segments of the clean technology and UAV sectors.

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4 Valuation approach and assumptions

4.1 Valuation summary

We have estimated the enterprise value of QHL to be in the range of $46.8m to $51.0m. After adjusting for other net assets and net debt, this implies a value of between $0.44 and $0.59 per share. A summary of our valuation is set out in the following table:

Table 12: QHL valuation summary

	Section	Low	High
Market multiples approach	Table 13	46.8	51.0
Less: Other liabilities	4.3	(7.2)	(0.2)
Less: Net debt	4.4	(8.2)	(8.2)
Equity value (control basis)		**31.3**	**42.7**
Number of shares	4.5	71.7	71.7
Equity value per share		**0.44**	**0.59**

Source: Deloitte Corporate Finance analysis

In estimating the enterprise value of QHL, we had primary regard to the market multiples approach. However, we utilised the discounted cash flow approach to cross-check our assessment. Our rationale for selecting these approaches is as follows:

- the market multiples approach confers the benefit of having valuation reference points of comparable businesses. It is commonly used for businesses in a steady and profitable state, as is the case with QHL's core business (i.e. Structures). However, it still requires exercise of judgement to reflect the differences between the subject company and comparable companies when selecting the multiple
- the discounted cash flow approach allows for significantly more flexibility in medium to long-term financial projections. However, it presents challenges with respect to being able to accurately project medium to long-term cash flows, especially due to difficulties with forecasting the impact of future growth and profitability. Given detailed financial projections developed by management were not available, we constructed some high-level projections based on our analysis of the business but felt that such projections could only serve with using the discounted cashflow approach as a cross-check to our primary approach.

Refer to Appendix 2 for a brief discussion of the various valuation methodologies which can be adopted in valuing entities and businesses.

We have selected an enterprise value range of between $46.8m and $51.0m. This value reflects the benefits of the restructuring that has been undertaken to refocus the group on the more profitable aspects of its operations (and equally to improve the profitability of those aspects). In addition, the top end of the valuation range could be viewed as reflecting the value of the platform and optionality it delivers for growth in other adjacencies (especially noting that the core activities could be viewed as having a limited life). Having said this, there are challenges to achieving such growth ambitions as is evident from QHL's recent attempts to develop capabilities in Services and Drones.

We have added to this enterprise value the estimated value of other assets, liabilities and net debt to arrive at the equity value of QHL. These include investments, tax losses that could be available for future utilisation, and liabilities associated with customer prepayments for orders.

The equity value has then been translated into a value per QHL share based on the number of shares expected to be on issue at the Implementation Date.

Our valuation considers market participant benefits, which includes listed company cost savings and cost synergies which QHL shareholders do not currently benefit from.

Our valuation of QHL has been undertaken on a control basis, consistent with the requirements of ASIC RG111.

The analysis supporting the valuation is set out in the following sections.

4.2 Market multiples approach

The market multiples approach involves applying a multiple to estimated earnings. Set out below is a summary of the outcome of the market multiples approach.

Table 13: Valuation based on earnings multiple

	Section	Unit	Low	High
EBITDA (selected)	4.2.1	$m	8.5	8.5
Earnings multiple	4.2.2	Times	5.5x	6.0x
Enterprise value		**$m**	**46.8**	**51.0**

Source: Deloitte Corporate Finance analysis

We have selected EBITDA as an appropriate measure of earnings because multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT.

Notwithstanding that Quickstep is required to adopt prevailing accounting standards under IFRS (including AASB 16[3]), we selected EBITDA on a pre-AASB 16 basis (ie. after deducting rent expense) given Quickstep leases a number of properties and that the expenses associated with these leases are material. EBITDA on a pre-AASB 16 basis is based on statutory EBITDA less rent expense which is a real cost to the business. Excluding this rent expense (by adopting statutory EBITDA) has a disproportionate impact on Quickstep's EBITDA relative to the comparable businesses which could lead to an inaccurate valuation of Quickstep's shares. Consequently, adopting a pre-AASB 16 EBITDA as the basis of valuation allows for a better comparison with the earnings multiples of other comparable companies.

The adopted EBITDA reflects a market participant level of earnings (i.e. including cost savings and synergies that may be available to a market participant) and differs from the earnings achieved by QHL under the current status quo.

4.2.1 Assessment of EBITDA

In selecting a measure of EBITDA for valuation purposes, we considered the following:

- the earnings of the continuing operations of QHL, being Structures and Drones. This excludes the Services business which will be completely wound down by the Implementation Date and the US initiative which generates no earnings
- the historical financial performance of QHL from FY23 through to H1 FY25, adjusted for abnormal or non-recurring revenue and expenses, including cash rent expense (to take account of AASB 16 which does not deduct cash rent expense) as set out in Table 8
- QHL management's expectations of future revenue for the Structures business from existing contracts. This reflects recent renegotiations undertaken as discussed in Section 3.2.1 and Section 3.7, which aren't reflected in H1 FY25 as the renegotiated terms only come into effect from H2 FY25 onwards
- the full impact of the cost base restructure on the continuing operations of QHL as discussed in Section 3.2.1 and Section 3.7 as whilst some of the benefits were experienced in H1 FY25, their complete impact is not expected to be experienced until H2 FY25
- QHL management's expectations for H2 FY25 earnings which take account of the two points mentioned directly above
- the operating margins of companies similar to QHL (refer Table 17), which are indicative of the sustainable level of margins in the sector
- the potential to reduce costs that QHL currently incurs by being a listed company.

We also highlight the following in respect of our assessment of EBITDA:

- no future acquisitions or disposals have been factored into our assessment of EBITDA
- the adopted EBITDA reflects the existing cost base of Drones to reflect the need for QHL to continuously invest in replacement sources of revenue to mitigate the finite life risk of the existing contracts
- we have considered EBITDA on a pre-AASB16 basis, that is, after deducting cash rental costs.

[3] Refer to section 3.4 for a detailed explanation of the requirements of AASB 16.

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Based on the above considerations, we have selected an EBITDA of $8.5m. This selected EBITDA is based on an H1 FY25 normalised EBITDA of $3.1m (refer Table 8), annualised to $6.2m[4], plus an additional amount to account for:

- anticipated improvements in normalised EBITDA and EBITDA margins to reflect the full year impact of benefits of the restructure and pricing negotiations (estimated to deliver a c.$1.6m increase in EBITDA) which is forecast to be realised in H2 FY25
- listed company costs and other savings (amounting to $0.7m based on our review of historical expenditure on directors fees, ASX listing fees and other listed company reporting obligations).

We consider it appropriate to annualise H1 FY25 EBITDA (prior to the adjustments noted above) following discussions with Management with respect to expectations for H2 FY25 financial performance and considerations around seasonality and our review of the business which suggested that seasonality does not materially influence operations.

We also note that whilst the company has secured revenue from existing contracts that extend for c.2 years, the historical normal tenure of contracts is between 5 and 10 years with a track record of contract renewal or renegotiation with the same customers every 2-3 years (for quantity and price re-negotiations) given the cost for customers to change suppliers and the long lifecycle of the end products to which these contracts relate. It is our understanding, based on our review of the comparable companies and discussions with management that this approach to contract management is common in the industry.

Our selected EBITDA is higher than historical EBITDA achieved and reported by QHL. However, we consider this to be reasonable recognising recent initiatives by QHL management to restructure the business (both from a revenue and cost perspective for existing operations) and focus it on profitable activities (i.e. shut down of the Services business) and comparable company margins which provide evidence of a sustainable level of profitability in the sector.

4.2.2 Assessment of earnings multiple

In selecting an appropriate earnings multiple, we considered the earnings multiples observed from share market prices of listed comparable companies and the implied multiple paid to acquire companies with operations similar to QHL.

With respect to the listed comparable companies, there are no listed Australian composite manufacturers that manufacture components primarily for the aerospace and defence industries, and as such, we had regard to mid-sized companies according to the categories outlined below:

- listed Australian companies that operate within the advanced manufacturing industry, with a focus on producing high-quality materials and engineering solutions for various industries
- global advanced composite manufacturers that utilise similar technologies to produce lightweight, high-strength materials tailored for industries such as aerospace, automotive and defence.

We considered but placed limited reliance on global aviation and aviation component manufacturers that are primarily involved in the provision of engineering and manufacturing services for the aerospace industry across both military and commercial applications, as these companies are significantly larger, more diverse, have greater control of the supply chain and consequently trade at different multiples.

In respect of the transactions, we had regard to the last 5 years where the target company primarily manufactured composite materials and components.

The listed companies and transactions that we consider most relevant are set out in the table below, with the full list considered being set out in Appendix 3 and Appendix 4 respectively.

[4] H1 FY25 normalised EBITDA of $3.1m multiplied by 2 to reflect a full year estimate.

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Table 14: Selected valuation metrics

Company Name	Metric type	Enterprise Value[1]	EBITDA (AUD m) / EBITDA margin[1]	EBITDA (AUD m)/ EBITDA margin[1]	EBITDA multiple[1]	EBITDA multiple[1]	EBITDA CAGR (%) (2-year)
		(AUD m)	Historical	Current	Historical	Current	2024 - 2026
Société Anonyme Belge de Constructions Aéronautiques (Composite materials and components manufacturing)	Transaction (Feb-2020)	169.4	27.0 / 8.5%		6.3x		
Von Roll (Composite materials and components manufacturing)	Transaction (Aug-2023)	388.7	51.9 / 12.7%		7.5x		
		(AUD m)	2024	2025	2024	2025	2024 - 2026
Matrix Composites & Engineering (advanced manufacturing)	ASX listed company	39.3	7.3 / 8.6%	6.6 / 7.4%	5.4x	5.9x	15.6%
LaserBond (advanced manufacturing)	ASX listed company	53.3	5.9 / 14.1%	11.1 / 21.6%	9.0x	4.8x	57.0%
SGL Carbon (composite manufacturing)	German DAX listed company	957.7	282.5 / 14.2%	295.8 / 14.5%	3.4x	3.2x	13.1%
Korvest (advanced manufacturing)	ASX listed company	113.8	17.0 / 16.5%	n/a	6.7x	n/a[2]	n/a[2]
All identified ASX listed advanced manufacturers[4]	Listed companies	Median 113.8	Median 14.1%	Median 13.3%	Median 7.6x	Median 5.8x	Median 14.1%
All identified global composite manufacturers[4]	Listed companies	Median 430.3	Median 8.5%	Median 9.7%	Median 5.9x	Median 5.2x	Median 16.3%
QHL[3]			10.5%	10.5%			12.1%

Notes:
1. Calculated on a pre-AASB16 / IFRS16 (or US GAAP equivalent) basis
2. n/a = not available (due to limited broker estimates)
3. EBITDA margins and growth rate implied by the earnings base selected for the valuation
4. Includes all companies shown in Appendix 3

Source: Financial reports, Capital IQ broker consensus, Deloitte Corporate Finance analysis

As noted above in the note to the table, the references to EBITDA in the table above are to EBITDA after deductions for rent expenses (referred to as pre-AASB 16 (or US GAAP equivalent) EBITDA). Further discussion as to why we have adopted this approach is set out in Section 4.2 above. The basis of calculation is also set out in Appendix 3 and Appendix 4.

We summarise our considerations in respect of the comparable listed companies below:

- although not producing highly comparable products to QHL, the customer bases of the Australian advanced manufacturing companies are predominantly major industrial players that service large contracts which require high levels of precision and reliability. Consequently, these companies are also generally exposed to similar macro-economic factors impacting the Australian market, including shortages of skilled labour and high input cost and raw materials inflation
- despite disparities in geographical presence, the global advanced composite manufacturing companies are predominantly mid-sized players, all servicing aerospace and defence industries. These companies are likely subject to a similar macro-economic environment and set of competitive dynamics to QHL
- Matrix Composites & Engineering manufactures composite solutions for customers primarily in the oil and gas, mining, and defence sectors. Although not serving Aerospace customers directly, the company's size, business model, product offering and margins are comparable to QHL, whilst its growth is slightly higher. It is trading on EBITDA multiple of 5.9x (2025 earnings)
- LaserBond develops advanced composite materials to enhance the operating performance and wear life of machinery components. LaserBond's size, business model, product offering, and focus on customers in industries that require high-performance materials and components is comparable to QHL. Whilst LaserBond has higher margins and growth relative to QHL, it experienced operating disruptions in FY24 and this appears to be reflected in its EBITDA multiple of 4.8x (2025 earnings)

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- SGL Carbon develops carbon-based products for the automotive, aerospace, and energy sectors. Despite a higher degree of diversification in their customer base and industry reach, we regard SGL Carbon as being comparable to QHL due to the advanced nature of their manufacturing processes and overlapping aerospace applications. SGL Carbon's EBITDA margins and growth are higher than QHL. It traded on an EBITDA multiple of 3.2x (2025 earnings) but its share price has been declining recently despite equity research analysts' views that the fundamental value of the company is higher
- Korvest manufactures steel and metal related products, and the advanced nature of their manufacturing processes and distribution to large clients across related sectors is comparable to QHL. Korvest's EBITDA margin is higher than that for QHL, and it is trading on a 2024 multiple of 6.7x (a 2025 multiple is not available due to limited equity research analysts' forecasts)
- the identified ASX listed advanced manufacturing companies generated a higher median margin and growth to QHL. The median EBITDA multiple of this group was 5.8x (2025 earnings)
- the identified global advanced composite manufacturers generated a similar median margin but are expected to experience higher growth. The median EBITDA multiple of this group was 5.9x (2024) and 5.2x (2025)
- as noted above, the global aviation and aviation component manufacturers are much larger and more diversified in their product offerings and business models when compared with QHL and in this regard, we have placed less reliance on these companies given they trade at much higher multiples. Companies in this category include two of QHL's major customers such as Lockheed Martin and Northrop Grumman who trade at EBITDA multiples of 14.4x and 17.0x, respectively
- the EBITDA multiples implied by share prices reflect the value of a portfolio interest, which does not confer control. The quantum of any control premium largely depends on the ability of the acquirer to extract operational improvements in the target, and this depends on the specific circumstances of the bidder and target, not to mention other factors such as bidder tension in the sale process. Considering QHL is a specialised manufacturer providing a discrete part in the overall supply chain, we consider the likely buyer for the business to be an industry player (as illustrated by the comparable transactions). Whilst QHL has already largely eliminated operating inefficiencies post restructure, there are still likely to be operational improvements associated with being part of a larger group such as but not limited to further back-office efficiencies and greater ability to negotiate terms with suppliers.

Our key considerations in respect of the comparable transactions are:

- the EBITDA multiples implied by the comparable transactions would likely include premiums paid by the acquirers to access cost and revenue synergies, part of which may be specific to them. In contrast, the EBITDA multiples implied by listed companies typically would not include premiums for control. However, we note that the concept of control premium should not be confused with takeover premiums (which are evident in takeovers of listed companies) and it would be inappropriate to attempt to translate a takeover premium into a control premium other than to highlight that a control premium would be lower than a takeover premium
- Société Anonyme Belge de Constructions Aéronautiques (**SABCA**) was acquired in February 2020 at a multiple of 6.3x. SABCA was engaged in the study, design, and manufacture of composite structures, systems, and sub-assemblies for the aerospace, civil aviation, and defence markets in Europe. On balance, its historical EBITDA margin of 8.5% is not dissimilar to QHL
- Von Roll was acquired in August 2023 at a multiple of 7.5x. Von Roll is primarily involved in the production and distribution of composite materials and machined parts for various industries across Europe, Asia, and the Americas. It has a higher EBITDA margin and is larger in size compared to QHL
- various other transactions in the Australian defence engineering sector that we are aware off.

4.2.3 Selected multiple

We have selected an EBITDA multiple in the range of 5.5x to 6.0x having regard to the following:

- it has been selected by us inclusive of a control premium but also noting that some of the direct benefits associated with control have been factored into our assessment to EBITDA in Section 4.2.1 above. In respect of this, we highlight that have been cognisant of the risk of double-counting the control premium (through the selected EBITDA and the selected multiple). Further, we note the quantification of a control premium is judgemental in nature given the inability to determine the portion of a takeover premium that can be attributable to a control premium from the comparable transactions, or to observe what portion of a comparable company's share price may reflect a control premium due to potential interest in the business which may not be widely known, which would form a basis from which to specifically define a control premium range applicable to QHL
- it is not inconsistent with the SABCA transaction multiple (6.3x), which reflects the acquisition of a controlling interest in a similar operating business of similar size

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- Whilst we note that it would be inappropriate to directly compare any listed company multiple with our selected multiple because the earnings base used in respect of the calculation of the multiple for the listed company does not include the benefits of control which have been factored into our assessment of earnings (specifically our selected EBITDA for QHL as set out in Section 4.2.1 includes listing and other cost savings), on the basis quoted in the table above:
    - it is similar to Matrix (5.9x) which is a similar business to QHL
    - it is higher than the LaserBond multiple (4.8x) which is also a similar business to QHL but LaserBond experienced operating disruptions which impacted its multiple
    - it is lower than similar sized comparables, Korvest (6.7x), given its relatively lower margins and/or growth
    - it is supported by the comparable median multiples of the global advanced composite manufacturers (5.9x (2024) and 5.2x (2025).

4.2.4 Cross check - Discounted cash flow method

The discounted cash flow approach estimates the enterprise value by discounting a company's future cash flows to their net present value provided that the future cash flows that are expected to be derived from a business are capable of being estimated with a reasonable degree of confidence.

As management have not provided long term forecasts, we consider the discounted cash flow method high level in nature and only suitable as a cross-check to determine if the value derived from the primary valuation approach, being the market multiples approach as discussed above, is reasonable.

The discounted cash flow method requires the determination of the following:

- future cash flows of the business
- an estimate of the terminal value growth rate
- an appropriate discount rate to be applied to the future cash flows.

Our considerations on each of these factors are presented below.

4.2.5 Future cash flows

The starting point of the cash flow projections was the historical performance of the business, including the year to date performance in FY25. In developing their annual budgets, QHL management note the following key considerations:

- revenues are based on key long terms contracts which are pre-determined and are long term in nature making revenue relatively easy to predict in the near future. QHL is provided with demand profiles from customers which are usually locked in for periods of 18-24 months
- historical performance is used as a key determinant for the forecast cost base.

QHL management provided a high level financial performance forecast for 2H FY25, combined with revenue forecasts for FY26 and FY27. In the absence of more detailed forecasts prepared by management, we have determined our own forecasts with the following key assumptions:

- cash flows reflect those generated by QHL's continuing operations (i.e. Structures and Drones) in order to align with the earnings base adopted under our primary valuation approach. This includes the cost base of Drones given the need to invest in replacement sources of revenue to mitigate the finite life risk of existing contracts
- FY25 revenue is based on the annualisation of H2 FY25 forecast for the continuing business which reflects the full benefit of recent restructures and pricing renegotiations that have been undertaken
- FY26 and FY27 revenue is based on a combination of contracted revenue and customer forecasts which are then grown at 2.5% thereafter given the allowance for inflation in these contracts, along with the historical propensity of customers to accept inflation linked increases in prices
- forecast EBITDA margin is based on the implied earnings base adopted under our primary approach (inclusive of rental expense). This margin is broadly consistent with the median margin of our comparable companies considered under our primary approach
- capital expenditure is based on a historical annual average (% of revenue) to reflect the need to invest in new sources of revenue
- depreciation is based on a run-off of the existing property, plant and equipment and 10 year life on maintenance capital expenditure

- net working capital (as % of revenue) is based on the average net working capital for FY23 and FY24. This is consistent with the historical level of net working capital (as % of revenue) of QHL around April, which is the time of the year when the Proposed Scheme is expected to be implemented
- 30% Australian corporate tax rate. We excluded the utilisation of tax losses given this is not included in our multiples based valuation, but accounted for as a surplus asset adjustment to derive the equity value.

4.2.6 Terminal growth rate

We have estimated a terminal value at the end of a 10 year forecast period using the perpetuity growth formula. Our assessment of the terminal growth rate has had regard to long term inflation forecasts in Australia. Whilst we note that a number of the programs QHL is servicing have limited lives (which generally speaking extend to the late 2030s), we consider an assumption of growth rate into perpetuity appropriate given we are also assuming capital expenditure investment to develop new sources of revenue.

4.2.7 Discount rate assessment

The discount rate used to equate the future cash flows to a present value reflects the risk adjusted rate of return demanded by a hypothetical investor.

Discount rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity selected. We have used the modified Capital Asset Pricing Model to assess the cost of equity. This model calculates the minimum rate of return that the company must earn on the equity financed portion of its capital. We are of the opinion that the modified Capital Asset Pricing Model is appropriate as this takes account of company specific factors through the company specific risk premium.

We used the following inputs in applying this model:

- a cost of equity of 12.5% to 14.1% based on:
  - a risk-free rate of 4.4% based on the five-day average of the ten-year Australian government bond as at 31 January 2025. A risk-free rate compensates the investor for the time value of money and the expected inflation rate over the investment period
  - an equity market risk premium of 5.0% based on Deloitte Corporate Finance's current view on the market cost of equity
  - an unlevered beta of 1.0 to 1.1 having regard to the betas of the comparable companies identified in Appendix 3, industry betas published by Aswath Damodaran[5] for the aerospace/defence sectors, and the volatility of earnings generated by these businesses. This results in a levered beta of 1.12 to 1.24 based on our selected gearing assumption
  - company specific risk premium of 2.5% to 3.5% to reflect factors such as:
    - QHL's reliance on a limited number of customers who have significant commercial influence over small businesses such as QHL when negotiating terms
    - the finite life of QHL's key contracts and the difficulty in generating alternative sources of revenue to mitigate this risk
    - the significant levels of capital expenditure and long lead times required to realise new commercial opportunities.
- a net debt to enterprise value ratio of 15% based on gearing levels observed for comparable companies, current and projected levels of net debt as well as QHL's capacity to service debt
- a pre-tax cost of debt of 7.5%, based on the prevailing cost of debt on QHL's existing debt facilities
- a tax rate of 30% which is consistent with the Australian corporate tax rate at the date of this report.

[5] Aswath Damodaran's industry betas as at 5 January 2025

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Based on the above, we have selected a base discount rate in the range of 11.5% to 12.5%. Recognising the size of QHL, the dependency on key customers and QHL's position in the supply chain, we do not consider such a rate to be unreasonable.

4.2.8 Conclusion on discounted cash flow valuation

Based on our cash flow and discount rate assumptions outlined above, the enterprise valuation of QHL using the discounted cash flow method is in the range of $45.0m to $52.0m.

A comparison to our valuation assessed using our primary approach is outlined in the table below.

Table 15: Comparison of primary approach and cross-check

	Section	Unit	Low	High
Discounted cash flow (cross-check)	4.2.4	$m	45.0	52.0
Earnings multiple (primary)	Table 13	$m	46.8	51.0

Source: Deloitte Corporate Finance analysis

We consider our discounted cash flow cross-check broadly supports our enterprise valuation of QHL derived under our primary approach.

4.3 Other assets and liabilities

When considering other assets and liabilities, we have adopted a low and high range which considers the potential value of these assets and liabilities:

Table 16: Other assets and liabilities

		Low	High
Investments	$m	0.6	1.6
Tax losses	$m	-	6.1
Net working capital surplus (deficiency)	$m	(7.8)	(7.8)
Other liabilities - total	**$m**	**(7.2)**	**(0.2)**

Source: QHL Management, Deloitte Corporate Finance analysis

We note the following in respect of the above:

- **Investments:** This consists of QHL's minority investments in Carbonix and TB2 Aerospace LLC as mentioned in Section 3.5. The bottom end of the range selected by us is aligned with the position taken by QHL as at 31 December 2024 whilst the top end of range recognises the historical invested value. Swoop Aero was liquidated in H1 FY25 and the investment in the company is not viewed as recoverable.
- **Tax losses:** QHL has significant gross tax losses of $70.8m for which no asset has been recognised, and $75.5m if recognised amounts on the balance sheet are included. In our assessment of the value of QHL's tax losses, we have adopted a weighting of between 0% and 50% of the present value impact of these tax losses in recognition of the challenges a market participant purchaser would have in being able to utilise them. Our value of these tax losses represents only up to 8% of the gross value which we consider reasonable given the risks of utilisation.

  Our enterprise valuation as set out above does not include the value of any tax losses, which is considered as a separate item.

  The company has historically recognised some (but not all) tax losses and based on our discussions with management, we understand that given the uncertainty over future profitability, the auditor felt it was prudent and consistent with accounting standards to only recognise some of the value of these tax losses. Our discussions with management also confirmed that they are of the view that from 1 July 2025 onwards, and subject to the continued improvement in profitability in H2 FY25, they consider they may be in a position to recognise more tax losses.

  In addition, we also note that if Quickstep was to continue as a standalone entity and generate profits (which is implicit in our valuation and expected by management), it would not pay tax on those profits for some time and this would be a benefit that would ultimately accrue to Quickstep shareholders.

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Whilst our assessment of the weighting of 0% to 50% is judgemental in nature, it is based on our experience including discussions with tax experts in respect to the thresholds required for future utilisation of the tax losses (namely tests commonly referred to as 'continuity of ownership' and 'continuity of business').

- **Net working capital deficiency:** As outlined in Section 3.5, QHL's net working capital has reduced since FY23. As at 31 December 2024, QHL had net working capital of $1.2m for its continuing operations. Our analysis suggested that this is artificially low (as a % of revenue) relative to historical periods and comparable companies. This is in part due to the increase in prepayments from customers (contract liabilities) to assist the business through the long lead times on raw material orders (as at 31 December 2024, receivables after deduction for contract liabilities was $(12.9)m as compared to 30 June 2024 when it was $(2.6)m and at 30 June 2023 when receivables exceeded contract liabilities by $3.7m). This was also confirmed through discussions with Management and reflected specifically the fact that some customers had recently made pre-payments on future orders to assist funding of long lead time of raw material costs.

  Based on our experience, we note that working capital adjustments are common in negotiations involving the sale and purchase of businesses. As further evidence of this balance having debt-like characteristics (and thus warranting adjustment), we note that in the period post 31 December 2024, management anticipate net debt increasing as the company seeks to meet its contract liability obligations.

  We adopted an adjustment of $(7.8)m, which reflects the difference between the actual working capital of $1.2m and a level of net working capital of 12% of revenue[6] based on historical analysis of working capital for Quickstep (over the past 4 years) and as also supported by an analysis of the working capital of the comparable companies.

4.4 Net debt

QHL's net debt is projected to be $8.2m at the Implementation Date. This is based on:

- forecast debt of $14.1m, which is based on existing debt of $11.8m at 31 December 2024, along with an expected drawdown of funds required from Quickstep's overdraft facility taking debt to $14.1m
- forecast cash balance of $5.9m, which reflects:
  - the expected impact of cash payments and receipts in the ordinarily course of business along with the satisfaction of outstanding provisions and costs associated with the wind-down of the Services business post 31 December 2024 and up until Implementation Date
  - additional cash that will become available from the drawdown of the overdraft facility
  - non-contingent costs associated with the transaction which will be incurred by Implementation Date.

4.5 Number of shares outstanding

As discussed in Section 3.6.2, the number of shares issued is anticipated to be 71.7m at the Implementation Date.

[6] Revenue of $76m, reflecting an annualisation of H1 FY25 revenue of $38m.

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Appendix 1: Industry considerations

QHL is an advanced aerospace engineering and composite materials manufacturing company, primarily servicing customers in the military aerospace industry. In this regard, we have focused our industry analysis on sectors relating to Global Military Aircraft and Aerospace Manufacturing, and Advanced Composite Manufacturing.

Global Military Aircraft and Aerospace Manufacturing

Industry overview

The global military aircraft and aerospace manufacturing industry encompasses a wide range of activities related to the production of military aircraft, missiles, and aerospace vehicles, alongside the design and manufacturing of the associated parts and servicing requirements. Industry revenue was estimated at approximately USD339 billion in 2024 and is forecast to grow at a CAGR of 8.4% over the next 10 years, to USD760 billion by 2034[7]. Primary catalysts for growth include increases in sovereign defence spending amid geopolitical tensions and military modernisation efforts, advancements in technology including UAVs (drones) and guided weapons, and the evolving role of military aircraft in non-combat scenarios.

Global defence spending

Many of the world's developed nations are increasing their spending on defence in response to global geopolitical tensions and advancements in technology. During 2024, Australia, the US and the United Kingdom's total government spending on defence was AUD53.3 billion[8], USD824.3 billion[9], and GBP53.9 billion[10] respectively, which represents 2.0%[8], 2.7%[11], and 2.3%[10] of each nation's GDP.

The Australian Federal Government has announced plans to increase annual spending on Defence to approximately AUD100 billion by fiscal year 2034, which would constitute approximately 2.3% of GDP[8].The Australian Government has also announced a commitment of between AUD58 billion to AUD74 billion[12] to the development of guided weapons and explosive ordinance as part of the Australian Guided Weapons and Explosive Ordnance (GWEO) Plan, which aims to deliver a transformative uplift to the nation's defence capabilities over the next decade. Central to this strategic initiative is an investment of AUD500 million[12] towards Australian businesses to promote the local manufacturing of components and sub-systems for Australian-made GWEO.

Further, in light of Russia's invasion of Ukraine, pressure has been mounting on members of the North Atlantic Treaty Organization (NATO) to increase their defence spending targets from 2.0% of GDP to 5.0% of GDP[13] to increase military capabilities throughout Europe. Set out in the figure below are the current defence spending rates for NATO member nations as a percentage of GDP in 2024.

[7] Fact Market Research – Global Military Aircraft and Aerospace Manufacturing Industry Market Outlook (2024–2034)

[8] Australian Government Defence Budget 2023-24

[9] House of Committee Appropriations – Fiscal Year 2024 Summary

[10] House of Commons Library – UK Defence Spending December 2024

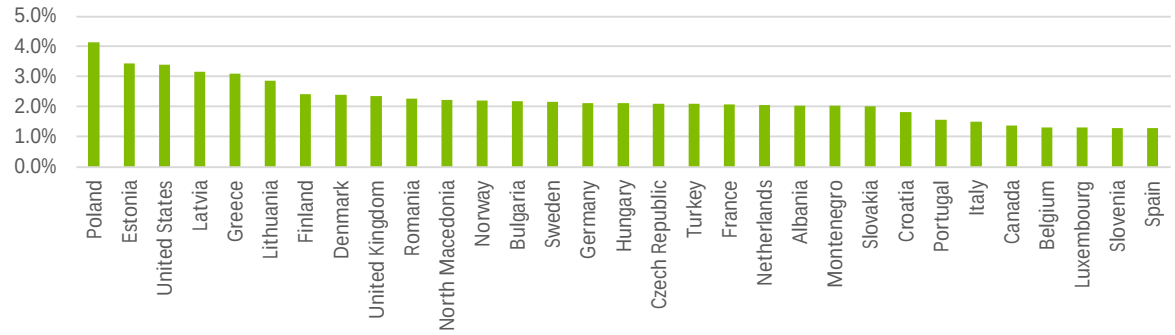
[11] United States Department of Defence – Defence Spending as a % of Gross Domestic Product 2024

[12] Australian Government Guided Weapons and Explosive Ordinance Plan 2024

[13] Financial Times – Poland backs Donald Trump on raising NATO spending to 5% of GDP – January 2025

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Figure 4: Defence spending as a share of GDP, 2024

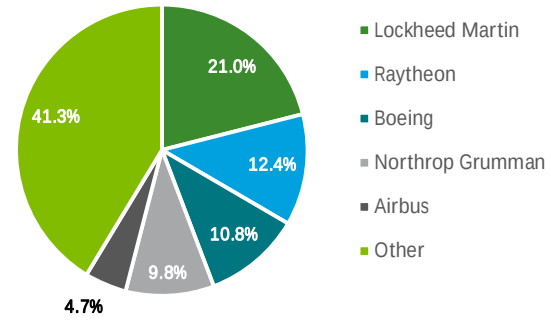


Source: Financial Times, Deloitte Corporate Finance analysis

Industry structure

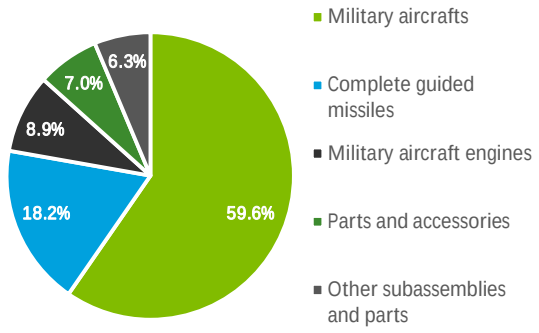
The industry is largely characterised by a concentrated market structure, dominated by a few major players with broad based capabilities who collectively control a c.60% market share[14]. Smaller operators tend to be niche players who produce specific aircraft components and accessories or provide specialist servicing capabilities. A significant portion of expenditure is on the aircraft itself (c.60%)[14], followed by missiles, aircraft componentry and associated services. It also encompasses prototype development, aircraft conversion, and maintenance services.

Figure 5: Key players in the industry



Source: IBIS World, Deloitte Corporate Finance analysis

Figure 6: Primary products and services in the industry



Source: IBIS World, Deloitte Corporate Finance analysis

Government support for Australia-based advanced manufacturing

The Australian Federal Government is actively supporting modern and advanced manufacturing, particularly within the defence sector, through various strategic initiatives and funding programs. This commitment is part of a broader effort to enhance Australia's advanced manufacturing capabilities while promoting national security through enhanced local production capabilities. Some of the key strategic initiatives related to defence include:

- Modern Manufacturing Strategy (MMS): Focused on six priority sectors, including defence, the MMS is an AUD1.5 billion[15] initiative aimed at transforming Australian manufacturing by assisting manufacturers with scaling up operations, improving competitiveness, and building stronger supply chains
- Advanced Manufacturing Growth Fund: Providing grants ranging from AUD0.5 million to AUD2.5 million, the fund will provide a total AUD47.5 million[16] to support small to medium enterprises in transitioning from traditional manufacturing processes to advanced technologies.

[14] IBIS World – Global Military Aircraft & Aerospace Manufacturing September 2024

[15] Make it Happen - The Australian Government's Modern Manufacturing Strategy 2020

[16] The Australian Government Advanced Manufacturing Growth Fund 2024

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Advanced Composite Manufacturing

Overview of composite manufacturing

Composite materials can generally be described as engineered materials made from two or more constituent substances that possess distinct physical or chemical properties. The primary constituents in composite materials typically include a matrix material and reinforcement material. The combination of substances within a composite material achieves enhanced characteristics that are superior to those of the individual components, typically providing improved strength and durability. The primary composite material categories are classified based on their matrix type, which are either polymer, metallic or ceramic based.

The industry employs several advanced technologies across the manufacturing process to produce high-performance composites. These include:

- Automated Fiber Placement (AFP), which uses robotic arms to precisely lay pre-impregnated fibre tapes onto moulds, activating the resin with heat for optimal bonding
- Automated Tape Laying (ATL), which applies wider tape strips for faster layup of large structures
- Autoclave moulding, which cures prepreg materials in a sealed environment under heat and pressure, ensuring high fibre volume and low void content
- Filament Winding, which wraps continuous fibre strands around a rotating mandrel for customizable orientations
- Resin Transfer moulding (RTM), which injects resin into a closed mould with dry fibres
- Compression moulding, which shapes heated composite materials under pressure.

Demand and supply

The global market for advanced composite manufacturing was estimated at USD34 billion in 2021 and is projected to grow at a CAGR of 10.2% to USD88 billion by 2031[17]. Demand is primarily driven by the aerospace and defence industries, where advanced composite materials are crucial for reducing weight and enhancing the performance of aircraft, vehicles, and other advanced equipment. The total demand in these industries is forecast to grow at a CAGR of 10.5%[17] through to 2031, underpinned by the rising need for more fuel-efficient aircraft and the modernisation of sovereign aerospace defence capabilities.

Despite this growth, the industry faces a number of challenges which impact the supply response. Notably, the complexity of the design and production process which involves intricate procedures, specialised equipment, skilled labour, and high degrees of precision, all contribute to significant time and cost constraints which restrict large-scale production efforts. This, combined with patent access, capital expenditure requirements, high start-up costs and strict regulations (concerning safety, environmental impacts, and quality standards) contribute to high barriers to entry and constraints to breadth of capability.

This has led to established players forming strategic partnerships to enhance their capacities and expand their reach into emerging markets, whilst new entrants tap niche or underdeveloped sub-segments. Particularly, the past decade has been characterised by a notable increase in joint ventures, mergers and acquisitions within the industry as companies seek opportunities to secure long-term contracts with trusted partners to ensure sustainable operations on a global scale.

A selection of the market leaders in the design and manufacturing of advanced composite materials include Toray Industries, Inc., Hexcel Corporation, Solvay SA, Teijin Limited, and SGL Carbon SE.

[17] Advanced Composites Global Opportunity Analysis and Industry Forecast 2021-2031

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Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses can be categorised under one of the following three approaches.

Market approach

The market approach involves the determination of fair value having regard to pricing and other metrics implied by market trading or transactions of comparable assets. Valuation methods commonly adopted under the market approach include:

- earnings multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The earnings multiple method estimates fair value as the product of an entity's earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market trading and/or transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the fair value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income approach

The income approach involves the determination of fair value based on the present value of future amounts. The discounted cash flow method estimates fair value by discounting an entity's future cash flows using an appropriate cost of capital to reflect the risks of the cash flows, to a net present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence, and is commonly used to value early stage companies or projects with a finite life.

Other methods under the income approach include option pricing models (such as Black Scholes-Merton formula or a binomial model) and the multi-period excess earnings method in the case of valuing intangible assets.

Cost approach

The cost approach involves the determination of fair value based on the cost of replacement. Valuation methods under the cost approach estimate the fair value of an entity's shares based on the realisable value of its identifiable net assets, and typically comprise:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method, except that it assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the fair value of the net assets of an entity, after deduction for the costs of operating the net assets of the business, but does not take account of realisation costs.

These methods ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill which may not be recognised on the balance sheet. Asset based methods are appropriate when companies are not profitable, or a significant proportion of an entity's assets are liquid, or for asset holding companies.

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Appendix 3: Comparable entities

We identified the following listed companies that operate in Australia within the advanced manufacturing sector and focusing on high-quality materials and engineering solutions tailored to specific industries such as aerospace, defence, mining, and automotive. We also identified international companies that focus on advanced composite manufacturing.

Table 17: Comparable company financial performance and valuation metrics

Name	Country	Business Description	EV[1]	Revenue[2]	EBITDA Margin[1]		EBITDA Multiple[1]		EBITDA 2 Year CAGR[3]
			(AUD m)	(AUD m)	2024	2025	2024	2025	
Matrix Composites & Engineering	Australia	Matrix Composites & Engineering engages in the design, engineering, and manufacturing of engineered polymer products for the energy, mining and resource, and defence industries.	39.3	85.0	8.6%	7.4%	5.4x	5.9x	15.6%
Bisalloy	Australia	Bisalloy engages in the manufacture and sale of quenched and tempered, high-tensile, and abrasion resistant steel plates in Australia, Indonesia, Thailand, and internationally.	200.8	152.9	15.1%	17.2%	8.7x	7.3x	12.6%
Austin Engineering	Australia	Austin Engineering manufactures, repairs, overhauls, and supplies mining attachment products, and other related products and services for the industrial and resources-related business sectors.	310.4	315.8	13.0%	15.5%	7.6x	5.7x	21.4%
VEEM	Australia	VEEM engages in the design, manufacture, and sale of marine propulsion and stabilization systems.	176.6	80.6	15.9%	11.1%	13.8x	22.1x	3.0%
Korvest	Australia	Korvest engages in the hot dip galvanizing and sheet metal fabrication businesses primarily in Australia.	113.8	102.9	16.5%	n/a	6.7x	n/a	n/a
Adrad Holdings	Australia	Adrad Holdings designs and manufactures heat transfer solutions for industrial applications in Australasia, Asia, the Middle East, North and South America, and Africa.	40.0	143.4	9.1%	10.3%	3.1x	2.6x	11.6%
LaserBond	Australia	LaserBond engages in the development and application of materials, technologies, and methodologies to enhance operating performance and wear life of capital-intensive machinery components in Australia.	53.3	42.0	14.1%	21.6%	9.0x	4.8x	57.0%
Hankuk Carbon Co.	South Korea	Hankuk Carbon Co. produces and sells carbon fiber, synthetic resin, and glass paper related products in South Korea.	625.4	823.1	9.4%	9.8%	7.8x	6.9x	19.4%
SGL Carbon	Germany	SGL Carbon engages in the manufacture and sale of special graphite, carbon fibers, and composite products in Germany, rest of Europe, the United States, China, rest of Asia, and internationally.	957.7	1,688.0	14.2%	14.5%	3.4x	3.2x	13.1%
Gurit Holding	Switzerland	Gurit Holding develops, manufactures, markets, and sells advanced composite materials, composite tooling equipment, and kitting services in Switzerland and internationally.	235.3	715.1	7.5%	7.5%	4.0x	4.2x	0.2%
Exel Composites	Finland	Exel Composites manufactures and sells composite profiles and tubes made with pultrusion, pull-winding, and continuous lamination processes in Europe, North America, the Asia Pacific, and internationally.	77.6	157.0	6.6%	9.5%	10.6x	6.1x	48.8%

Notes:
1. EV (Enterprise Value) and EBITDA are presented on a pre-IFRS 16 (or US GAAP equivalent) basis, i.e. excluding lease liabilities from EV, and including estimated cash rent costs In EBITDA. Where no IFRS 16 disclosures have been made, we have estimated the cash rental cost based on financial disclosures
2. This is historical revenue and relates to 30 June 2024 for the Australian companies and 31 December 2023 for the international companies
3. Calculated from 2024 to 2026

n/a = not applicable
Source: Publicly available announcements, S&P Capital IQ, Deloitte Corporate Finance analysis

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Appendix 4: Comparable transactions

We identified the following transactions involving businesses who primarily operate in the manufacture and engineering of composite materials and components and in respect of whom financial information was available to calculate valuation metrics:

Table 18: Comparable transactions

Date	Target	Acquirer	Enterprise Value (AUDm)[1]	Revenue (AUDm)	EBITDA Margin	EBITDA Multiple (times)	Basis
				Historical	Historical	Historical	
Aug-23	Von Roll	ELANTAS	388.7	408.7	12.7%	7.5x	Pre – AASB / IFRS 16
Feb-20	Société Anonyme Belge de Constructions Aéronautiques (SABCA)	Federal Holding and Sabena Aerospace	169.4	316.7	8.5%	6.3x	Pre – AASB / IFRS 16

Notes:
1. Enterprise Value has been converted to Australian Dollars based on the Reserve Bank of Australia's relevant spot exchange rate data as at the respective transaction announcement date.

Source: Company disclosures, S&P Capital IQ, Reserve Bank of Australia spot exchange data, Deloitte Corporate Finance analysis.

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Appendix 5: Context to the report

The report has been prepared at the request of the Directors of QHL and is to be included in the Scheme Booklet to be given to QHL shareholders for approval of the Proposed Scheme. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Scheme outlined in the report and should not be used for any other purpose. Neither DCF, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the QHL shareholders and QHL, in respect of this report, including any errors or omissions however caused.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is fair and reasonable to, and in the best interests of, QHL shareholders as a whole.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Individual circumstances

We have evaluated the Proposed Scheme for QHL shareholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Scheme is fair and reasonable to, and is in the best interests of, QHL shareholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations

Our opinion is based on the prevailing economic, market and other conditions as at the date of this report. Such conditions can change significantly over relatively short periods of time.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, DCF has relied upon the completeness of the information provided by QHL and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to QHL management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by QHL and its officers, employees, agents or advisors, QHL has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which QHL may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by QHL and its officers, employees, agents or advisors or the failure by QHL and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte Corporate Finance's consideration of this information consisted of enquiries of QHL personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for QHL included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of QHL referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

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Qualifications

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Authorised Representative, B.Bus, M.Comm, CA, F.Fin. Tapan has many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 50 Bridge Street, Sydney, NSW, 2000 acknowledges that:

- QHL proposes to issue a Scheme Booklet in respect of the Proposed Scheme
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet (Draft Scheme Booklet) for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Annexure 2 of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the Draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Attachment B of the Scheme Booklet and to all references to its independent expert's report or references to statements made in its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in Annexure 2.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- Draft Scheme Booklet
- Management presentation documents prepared for the benefit of interested parties
- information made available through a dataroom setup to assist interested parties including ASDAM
- audited financial statements for QHL for the years ending 30 June 2021 to 30 June 2024 and statutory accounts for the period ending 31 December 2024
- Forecast for QHL for the year ending 30 June 2025, based on H1 actual amounts and H2 budgets
- Company management accounts for the periods ending 30 June 2019 to 31 December 2024
- QHL Sales Forecasts for FY26 and FY27
- QHL board reports dated from February 2023 to December 2024
- QHL company website
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research, Thomson Reuters Financial markets, SDC Platinum and Mergermarket
- IBIS World company and industry reports
- other publicly available information, media releases and broker reports on QHL, other comparable companies and the advanced manufacturing and defence sectors.

In addition, we have had discussions and correspondence with certain directors and executives in relation to the above information and to current operations and prospects.

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Annexure 3 Scheme

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Scheme of Arrangement

Quickstep Holdings Limited

Each person registered as a holder of fully paid ordinary shares in Target as at the Record Date

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Parties

1 Quickstep Holdings Limited (ACN 096 268 156) of 361 Milperra Road Bankstown NSW 2200 (**Target**)

2 Each person registered as a holder of fully paid ordinary shares in Target as at the Record Date (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this Scheme.

2 Preliminary matters

(a) Target is an Australian public company limited by shares, and has been admitted to the official list of ASX. Target Shares are quoted for trading on the ASX.

(b) As at the date of the Scheme Implementation Deed, there were 71,726,214 Target Shares quoted for trading on the ASX.

(c) Bidder is a Australian private proprietary company.

(d) Bidder and Target have entered into the Scheme Implementation Deed in respect of (among other things) the implementation of this Scheme.

(e) This Scheme attributes actions to Bidder but does not itself impose any obligations on Bidder to perform those actions. By executing the Deed Poll, Bidder has agreed to perform the actions attributed to it under this Scheme. By executing the Deed Poll, Bidder agrees to perform its obligations under the Deed Poll, including payment of the Scheme Consideration in accordance with the terms of this Scheme.

(f) Pursuant to clause 2.1(d) of the Scheme Implementation Deed, Bidder may nominate a wholly owned Subsidiary of Bidder (**Bidder Sub**) to acquire the Scheme Shares by giving written notice to Target on or before the date that is 5 Business Days before the First Court Date (**Sub Notification**) in accordance with the Scheme Implementation Deed. If Bidder nominates a Bidder Sub, then clause 2.1(e) of the Scheme Implementation Deed provides that:

(i) references in the Scheme Implementation Deed to Bidder acquiring the Scheme Shares under the Scheme, or taking any other action under or in respect of the Scheme, are to be read as references to the Bidder Sub doing so;

(ii) Bidder must procure that Bidder Sub complies with the relevant obligations of Bidder under the Scheme Implementation Deed; and

(iii) despite paragraphs 2.1(e)(i) and 2.1(e)(ii) of the Scheme Implementation Deed, Bidder will continue to be bound by all of the obligations of Bidder under the Scheme Implementation Deed, including the obligation to execute and deliver the Deed Poll, and will not be released from any obligations or liabilities under the Scheme Implementation Deed following the Sub Notification. However, Target agrees that Bidder will not be in breach of, and will have no liability under, the Scheme Implementation Deed for failing to discharge an obligation of Bidder under the Scheme Implementation Deed if the Bidder Sub fully discharges that obligation.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

(a) all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(d) of the Scheme Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Scheme Implementation Deed;

(b) neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with its terms;

(c) this Scheme is approved by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Target and Bidder;

(d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to in writing by Target and Bidder are satisfied or waived; and

(e) the order of the Court made under section 411(4)(b) of the Corporations Act approving this Scheme comes into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

3.2 Certificates

(a) Each of Target and Bidder will provide a certificate to the Court at the Second Court Hearing confirming (in respect of matters within their respective knowledge) whether or not the conditions precedent in clauses 3.1(a) and 3.1(b) above have been satisfied or waived.

(b) The certificates referred to in clause 3.2(a) given by Target and Bidder constitute conclusive evidence that the conditions precedent in clauses 3.1(a) and 3.1(b) above have been satisfied or waived.

3.3 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

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(a) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or

(b) the Effective Date has not occurred on or before the End Date,

then this Scheme will lapse and be of no further force or effect and each of Bidder and Target are released from any further obligation to take steps to implement this Scheme.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Provided the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(e)) are satisfied, for the purposes of section 411(10) of the Corporations Act, Target must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme on the first Business Day following the day on which such office copy is received by Target or such later date as Target and Bidder agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5.2(a) and Target having provided Bidder with written confirmation thereof and the payment of the Scheme Consideration in the manner contemplated by clause 5.2(b), the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 8.5), by:

(i) Target duly completing and executing the Scheme Transfer, duly executed on behalf of the Scheme Shareholders (as transferors), and delivering it to Bidder; and

(ii) Bidder duly executing the Scheme Transfer (as transferee), attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a), Target must enter, or procure the entry of, the name of Bidder in the Share Register in respect of all the Scheme Shares transferred to Bidder in accordance with this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to the Scheme Consideration in respect of each Scheme Share.

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5.2 Provision of Scheme Consideration

(a) Bidder will provide the Scheme Consideration by depositing, or procuring the deposit of, in cleared funds an amount equal to the aggregate Scheme Consideration for all Scheme Shares into the Trust Account no later than the Business Day before the Implementation Date, such amount to be held by Target on trust for Scheme Shareholders (provided that any interest on the amount so deposited (less bank fees and other charges) (**Accrued Interest**) will accrue for the benefit of Bidder).

(b) Subject to Bidder having complied with clause 5.2(a), Target must, on the Implementation Date and from the Trust Account, pay to each Scheme Shareholder the Scheme Consideration attributable to that Scheme Shareholder based on the relevant Scheme Shareholder's Scheme Shares, which obligation will be satisfied by Target:

(i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Share Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

(ii) whether or not a Scheme Shareholder has made an election referred to in clause 5.2(b)(i), dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 5.3).

(c) In the event that:

(i) either:

(A) a Scheme Shareholder does not have a Registered Address; or

(B) Target as the trustee for the Scheme Shareholders believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address,

and no account has been notified in accordance with clause 5.2(b)(i) or a deposit into such an account is rejected or refunded; or

(ii) a cheque issued under clause 5.2(b) has been cancelled in accordance with clause 5.5(a),

Target as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with *the Unclaimed Money Act 1995* (NSW). To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW).

(d) Until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW), Target must hold the amount on trust for the relevant

Scheme Shareholder, but any interest or other benefit accruing from the amount will be to the benefit of Bidder. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). Target must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

(e) To the extent that there is a surplus in the amount held by Target as the trustee for the Scheme Shareholders in the Trust Account, that surplus may be paid by Target as the trustee for the Scheme Shareholders to Bidder following the satisfaction of Target's obligations as the trustee for the Scheme Shareholders under this clause 5.2.

(f) Target must pay any Accrued Interest to any account nominated by Bidder following satisfaction of Target's obligations under clause 5.2(b) (and, in any event, on the Implementation Date).

5.3 Joint holders

In the case of Scheme Shares held in joint names:

(a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Record Date; and

(b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5.4 Fractional entitlements and splitting

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

5.5 Cancellation and re-issue of cheques

(a) Target may cancel a cheque issued under clause 5.2(b) if the cheque:

(i) is returned to Target; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Share Registry) (which request may not be made until the date which is five Business Days after the Implementation Date), a cheque that was previously cancelled under clause 5.5(a) must be reissued.

5.6 Orders of a court or Government Agency

If written notice is given to Target (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by Target in accordance with this clause 5, then Target will

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be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or

(b) prevents Target from making a payment to a particular Scheme Shareholder in accordance with clause 5.2(b), or such payment is otherwise prohibited by applicable law, Target will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 5.6 is permitted by that order or otherwise by law.

5.7 Foreign resident capital gains withholding

If Bidder determines, acting reasonably and in good faith and following consultation with Target, that it must pay an amount to the Commissioner pursuant to Subdivision 14-D of Schedule of the *Tax Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Scheme Shares from a Scheme Shareholder, Bidder will, for any such Scheme Shareholder:

(a) determine the amount to be paid to the Commissioner (**Payment Amount**);

(b) remit the Payment Amount to the Commissioner within the time required under the TAA; and

(c) reduce the amount of Scheme Consideration payable to that Scheme Shareholder by the Payment Amount for the purposes of the Deed Poll, this Scheme and the Scheme Implementation Deed.

For the avoidance of doubt, Bidder will, for the purposes of the Deed Poll, this Scheme and the Scheme Implementation Deed, be deemed to have satisfied its obligations to pay the Scheme Consideration to a Scheme Shareholder if the amount paid to the Scheme Shareholder is the amount of the Scheme Consideration that would have otherwise been payable to the Scheme Shareholder pursuant to the Scheme, less the Payment Amount for that Scheme.

6 Dealings in Target Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Target Shares at or before the Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Record Date at the place where the Share Register is kept,

and Target must not accept for registration, nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title), any transfer or transmission application or other request received on or after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

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6.2 Share Register

(a) Target must register registrable transmission applications or transfers of Target Shares in accordance with clause 6.1(b) at or before the Record Date, provided that nothing in this clause 6.2(a) requires Target to register a transfer that would result in an Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

(b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target will be entitled to disregard any such disposal, purported disposal or agreement.

(c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for Target Shares (other than statements of holding in favour of Bidder will cease to have effect after the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries in respect of Bidder will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.

(e) As soon as practicable after the Record Date, and in any event within 2 Business Days after the Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Share Register as at the Record Date are available to Bidder in the form Bidder reasonably requires.

7 Quotation of Target Shares

(a) Provided that the Scheme has been fully implemented in accordance with its terms, Target will apply to ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date.

(b) Target will apply:

(i) for termination of the official quotation of Target Shares on the ASX; and

(ii) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date, as determined by Bidder.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Target may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Target has consented to.

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

(i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those shares in accordance with this Scheme;

(ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;

(iii) agrees:

(A) that after the transfer of the Scheme Shares to Bidder, any share certificate relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares; and

(B) at the direction of Bidder, to destroy any share certificates relating to the Scheme Shares; and

(iv) acknowledges that this Scheme binds Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).

(b) Each Scheme Shareholder is taken to have warranted to Target and Bidder, and appointed and authorised Target as its attorney and agent to warrant to Bidder on the Implementation Date, that:

(i) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to Bidder, be fully paid and free from all:

(A) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and

(B) restrictions on transfer of any kind; and

(ii) they have full power and capacity to transfer their Scheme Shares to Bidder together with any rights attaching to those Scheme Shares.

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to Bidder, vest in Bidder free from all:

(i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and

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(ii) restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated under clause 5.2(a) and clause 5.2(b), Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Target of Bidder in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated in clause 5.2(a) and clause 5.2(b) and until Target registers Bidder as the holder of all Scheme Shares in the Share Register:

(a) each Scheme Shareholder is deemed to have irrevocably appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;

(b) no Scheme Shareholder may itself attend or vote at any shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));

(c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and

(d) each Scheme Shareholder acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), Bidder and any director, officer, secretary or agent nominated by Bidder under that clause may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to Target

On the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

(a) enforcing the Deed Poll against Bidder; and

(b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and Target accepts such appointment. Target, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds Target and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target.

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9 General

9.1 Stamp duty

Bidder will:

(a) pay (or procure the payment of) all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability incurred by the Scheme Shareholder arising from failure to comply with clause 9.1(a).

9.2 Consent

Each Scheme Shareholder consents to Target and Bidder doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

9.3 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Share Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

(a) This Scheme is governed by the laws in force in New South Wales.

(b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Target must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

None of Target, Bidder Sub, nor any of their respective directors, officers, secretaries or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

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Schedule 1 Dictionary

1 Dictionary

In this agreement:

Accrued Interest has the meaning given in clause 5.2(a).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it known as the "Australian Securities Exchange".

Bidder means ASDAM Operations Pty Ltd (ACN 631 993 710).

Bidder Sub has the meaning given in clause 2(f) of this Scheme.

Business Day has the meaning given in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Target and Bidder.

Deed Poll means the deed poll to be executed by Bidder prior to the First Court Date, substantially in the form set out in Schedule 4 of the Scheme Implementation Deed or in such other form as is acceptable to Target acting reasonably, provided that where Bidder nominates a Bidder Sub in accordance with clause 2.1(d) of the Scheme Implementation Deed, the Deed Poll must provide for the Bidder Sub to have the primary obligations under the Deed Poll.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the later of:

(a) 30 June 2025; and

(b) such other date and time agreed in writing between Bidder and Target.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory

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organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

Implementation Date means, with respect to the Scheme, the fifth Business Day, or such other Business Day as the parties agree, following the Record Date.

Listing Rules means the official listing rules of ASX.

Record Date means, in respect of the Scheme, 7.00pm on the second Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Registered Address means, in relation to a Scheme Shareholder, the address shown in the Share Register as at the Record Date.

Sub Notification has the meaning given in clause 2(f) of this Scheme.

Target Share means a fully paid ordinary share in the capital of Target.

Target Shareholder means a holder of one or more Target Shares, as shown in the Share Register.

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Bidder and Target.

Scheme Consideration means $0.575 per Scheme Share.

Scheme Implementation Deed means the scheme implementation deed dated 20 December 2024 between Bidder and Target relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Target Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means a Target Shareholder as at the Record Date.

Scheme Transfer means one or more duly completed and executed proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Share Register means the register of Target Shareholders maintained in accordance with the Corporations Act.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Trust Account means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by Target as trustee for the Scheme Shareholders, details of which Target must notify to Bidder no later than five Business Days before the Implementation Date. To avoid doubt, any Accrued Interest on funds in the Trust Account will not be held by Target on trust for the Scheme Shareholders but rather will be held by Target on trust for Bidder.

2 Interpretation

In this Scheme the following rules of interpretation apply unless the contrary intention appears:

(a) headings are for convenience only and do not affect the interpretation of this agreement;

(b) the singular includes the plural and vice versa;

(c) words that are gender neutral or gender specific include each gender;

(d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;

(e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;

(f) a reference to:

(i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;

(ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;

(iii) a party includes its successors and permitted assigns;

(iv) a document includes all amendments or supplements to that document;

(v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;

(vi) this Scheme includes all schedules to it;

(vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;

(viii) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and

(ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends;

(x) a monetary amount is in Australian dollars; and

(xi) time is to Sydney, Australia time.

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Annexure 4 Deed Poll

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Gilbert +Tobin

Deed poll

ASDAM Operations Pty Ltd

In favour of each person registered as a holder of fully paid ordinary shares in Quickstep Holdings Limited as at the Scheme Record Date

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Date: 3 March 2025

This deed poll is made by

1 ASDAM Operations Pty Ltd (ACN 631 993 710) of 151-153 Keys Road Moorabbin Victoria 3189 (**Bidder**).

in favour of

each person registered as a holder of fully paid ordinary shares in Target as at the Scheme Record Date (**Scheme Shareholders**).

Background

A Bidder and Target entered into the Implementation Deed, under which Bidder is to pay the Scheme Consideration and acquire all Scheme Shares held by the Scheme Shareholders under the Scheme, and also under which Bidder has agreed to enter into this deed poll.

B Bidder is executing this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Defined terms and interpretation

1.1 Defined terms

In this deed poll:

(a) **First Court Date** means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned application is heard;

(b) **Implementation Deed** means the scheme implementation deed dated 20 December 2024 between Target and Bidder relating to the implementation of the Scheme;

(c) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders, the form of which is set out in Attachment A to this deed poll, subject to any alternations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Bidder and Target;

(d) **Target** means Quickstep Holdings Limited ACN 096 268 156; and

(e) unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll, except that references to ‘Scheme’ are to be read as references to ‘deed poll’.

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1.3 Nature of deed poll

Bidder acknowledges that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, from the Effective Date, each Scheme Shareholder irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder.

2 Conditions

2.1 Conditions

This deed poll and the obligations of Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

(a) the Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date,

unless Target and Bidder otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to the Scheme Shareholders:

(a) Bidder is released from its obligations to further perform this deed poll except those obligations contained in clause 6.1; and

(b) each Scheme Shareholder retains the rights they have against Bidder in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

Subject to clause 2, Bidder undertakes in favour of each Scheme Shareholder to:

(a) deposit, or procure the deposit of, in cleared funds by no later than the Business Day before the Implementation Date, an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account operated by Target as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account; and

(b) undertake all other actions attributed to it or to Bidder Sub (if applicable) under the Scheme,

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subject to and in accordance with the terms of the Scheme.

4 Warranties

Bidder represents and warrants in favour of each Scheme Shareholder, in respect of itself and also in respect of Bidder Sub (if applicable), that:

(a) it is a corporation validly existing under the laws of its place of incorporation;

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding on it and is enforceable against it in accordance with its terms; and

(e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) Bidder has fully performed its obligations under this deed poll and Bidder Sub (if applicable) has performed all of the obligations attributed to it under the Scheme; or

(b) the earlier termination of this deed poll under clause 2.2.

6 General

6.1 Stamp duty

Bidder must:

(a) pay all stamp duty (if any) and any related fines and penalties payable in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.1(a).

6.2 Governing law and jurisdiction

(a) This deed poll is governed by the laws in force in New South Wales.

(b) Bidder irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this

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deed poll. Bidder irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.3 Notices

(a) Any notice or other communication to Bidder in connection with this deed poll must be:

(i) in legible writing in English;

(ii) signed by the person making the communication or that person's duly authorised agent; and

(iii) addressed to the Bidder and given by hand delivery, pre-paid post, facsimile or email in accordance with the details set out below:

ASDAM Operations Pty Ltd

Address: 151-153 Keys Road Moorabbin Victoria 3189

E-mail: rohan_stocker@marand.com.au
Attn: Rohan Stocker

with a copy (such copy not to constitute notice) to:

E-mail: acorrigall@gtlaw.com.au
Attn: Alastair Corrigall

(b) Subject to clause 6.3(c), any notice or other communication given in accordance with clause 6.3(a) will be deemed to have been duly given as follows:

(i) if delivered by hand, on delivery;

(ii) if sent by pre-paid post, on the 3rd Business Day after the date of postage, or if to or from a place outside Australia, on the 7th Business Day after the date of postage; and

(iii) if sent by email:

(A) when the sender receives an automated message confirming delivery; or

(B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

(c) Any notice or other communication that, pursuant to clause 6.3(b), would be deemed to be given:

(i) other than on a Business Day or after 5:00pm on a Business Day is regarded as given at 9:00am on the following Business Day; and

(ii) before 9:00am on a Business Day is regarded as given at 9:00am on that Business Day,

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where references to time are to time in the place the recipient is located.

6.4 Waiver

(a) Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

(b) No Scheme Shareholder may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder, as appropriate.

(c) The meanings of the terms used in this clause 6.4 are set out below.

Term	Meaning
conduct	includes a failure or delay in the exercise, or partial exercise, of a right.
right	any right arising under or in connection with this deed poll (including a breach of, or default under this deed poll) and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

6.5 Variation

A provision of this deed poll or any right created under it may not be varied unless:

(a) if before the First Court Date, the variation is agreed to by Target in writing; or

(b) if on or after the First Court Date, the variation is agreed to by Target in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.6 Cumulative rights

The rights, powers and remedies of Bidder and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.7 Assignment

(a) The rights created by this deed poll are personal to Bidder and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder.

(b) Any purported dealing in contravention of clause 6.7(a) is invalid.

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6.8 Further action

Bidder must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

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Execution page

Executed as a deed poll

Signed, sealed and delivered by **ASDAM Operations Pty Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signed by:
Alice Hua
F39F12B003CF445...

Signature of director

Alice Hua

Name of director (print)

Signed by:
Ian Rodgers
586EC07E7E51403...

Signature of director/secretary

Ian Rodgers

Name of director/secretary (print)

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Corporate Directory

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Quickstep Holdings Limited

361 Milperra Road, Bankstown NSW 2200

FINANCIAL ADVISER

Miles Advisory Partners Pty Limited

Level 45, 101 Collins Street, Melbourne VIC 3000

LEGAL ADVISER

Maddocks

Tower Two, Level 25, 727 Collins Street, Melbourne VIC 3008

INDEPENDENT EXPERT

Deloitte Corporate Finance Pty Ltd

Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000

STOCK EXCHANGE LISTING

Quickstep Shares are listed on the Australian Securities Exchange (ASX: QHL)

QUICKSTEP WEBSITE

https://www.quickstep.com.au/

QUICKSTEP INVESTOR WEBSITE

https://www.quickstep.com.au/investment/

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