

**THE GO2 PEOPLE LTD
ACN 616 199 896**

PROSPECTUS

This Prospectus contains:

- (a) an offer of up to 53,333,334 Shares in the capital of the Company at an issue price of \$0.075 per Share, together with one (1) free attaching New Option for every one (1) Share subscribed for and issued, to raise up to \$4,000,000 (before expenses) (**Capital Raise Offer**);
- (b) an offer of up to 4,000,000 Broker Options to the Lead Manager of the Capital Raising (**Broker Options Offer**); and
- (c) an offer of up to 13,333 Shares at an issue price of \$0.075 per Share to raise up to \$1,000 (**Cleansing Offer**),

(together, the **Offers**).

The Capital Raise Offer and the Broker Options Offer are subject to Shareholder approval which will be sought at the general meeting to be held on 9 August 2019 (**General Meeting**).

STEINEPREIS PAGANIN 
Lawyers & Consultants

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Darren Cooper
Non-Executive Chairman

Abilio (Billy) Ferreira
Managing Director

Andries Dique
Non-Executive Director

Joint Company Secretaries

Matthew Thomson & Peter Torre

Share Registry*

Computershare Investor Services Pty
Limited
Level 11
172 St Georges Terrace
Perth WA 6000

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Lead Manager

Vested Equities Pty Ltd
ABN 54 601 621 390
AFSL 478987

Registered Office

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Belmont WA 6104

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ASX Code

GO2

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditors*

William Buck Audit (Vic) Pty Ltd
Level 20
181 William Street
Melbourne VIC 3000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable*

Action	Date
Dispatch Notice of Meeting seeking approval for, amongst other things, the Acquisition and the Capital Raising	3 July 2019
Lodgment of Prospectus with ASIC and ASX	10 July 2019
Opening Date for Offers	10 July 2019
General Meeting	9 August 2019
Closing Date of the Capital Raise Offer and Broker Option Offer	12 August 2019
Issue of Shares and Options under the Capital Raise Offer and Broker Option Offer	13 August 2019
Completion of the Acquisition and issue of the Consideration Shares	14 August 2019
Cleansing Offer Closing Date	5:00pm (WST) on 19 August 2019

*The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 10 July 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Capital Raise Offer is available to those who submit a completed Capital Raise Application Form in accordance with the instructions on the Capital Raise Application Form.

The Broker Options Offer is only available to those who are personally invited to accept the Broker Options Offer and do so by submitting a completed Broker Options Offer Application Form in accordance with the instructions on the Broker Options Offer Application Form.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form (as applicable) which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.thego2people.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained

in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. BACKGROUND TO THE OFFERS

3.1 Acquisition of Industry Pathways

The Company has entered into a binding share sale agreement with Industry Pathways Pty Ltd (ACN 153 814 192) (**IPW**) and Evaton Holdings Pty Ltd (**Vendor**), to acquire 100% of the fully paid ordinary shares on issue in the capital of IPW from the Vendor (**Acquisition Agreement**) (**Acquisition**).

In conjunction with the Acquisition, the Company is seeking to raise up to \$4,000,000 via a placement of 53,333,334 Shares at an issue price of \$0.075 per Share (**Capital Raising**) to fund the cash component of the consideration payable of the Acquisition and otherwise for the purposes set out in Section 5.1.

The Capital Raising is subject to Shareholder approval which is being sought at the General Meeting.

3.2 About Industry Pathways Pty Ltd

IPW was founded in 2011 and is a fast growing nationally Registered Training Organisation (RTO No: 32513), offering fee for service training and education up to Diploma level in the mining and health sectors. It does not rely on any Government funding, and instead focuses on providing quality outcomes for its students, which has ensured the highest levels of compliance are adhered to under the industry's governing body, the Australian Skills and Qualification Authority, or ASQA. The Company considers IPW to be an attractive Registered Training Organisation business which will be a complementary expansion of the Company's existing business.

IPW has a business to consumer model and its revenue is generated on a pay as you go basis. It has developed considerable resources and infrastructure to maximise its search engine position, and the business has significant capability in the areas of digital marketing and online sales. IPW's training delivery methodology is innovative and effective, with 80% of courses delivered via online platforms and the remaining 20% face-to-face at its facility on the Gold Coast in Queensland.

IPW has a stable and experienced leadership team in place, headed by Founder and Owner, Peter Evans. Mr Evans, along with his spouse, owns 100% of the issued capital of the Vendor. The business has over 20 staff engaged across areas such as training, sales and marketing and compliance. Over the past 3 years, IPW has seen consistent growth in revenue and profitability. The Company's acquisition of IPW will become effective retrospectively as of 1 July 2019, subject to satisfaction of conditions precedent set out in the Acquisition Agreement and outlined at Section 3.5 below.

3.3 Business Synergies and Benefits

As a provider of vertically integrated recruitment, building and training services, part of the Company's business model is to consider the expansion of its business through acquisitions of complementary and enhancing businesses in appropriate geographies.

The Acquisition represents a suitable extension of the Company's existing business given that IPW and the Company's own Training Division have very similar businesses, both being Registered Training Organisations, operating in similar industry sectors, sharing similar target markets and with multiple cross selling opportunities.

Importantly, the Company can provide employment placement outcomes for IPW's consumers. The Acquisition is therefore consistent with the Company's growth strategy and is expected to have an immediate positive impact on the Company's cashflow and profitability.

The Company has completed legal, financial and technical due diligence investigations with respect to IPW, which gives the Company confidence that the Acquisition is in the best interests of the Company and its shareholders.

3.4 Intention of the Company post completion of the Acquisition

The Company intends that following the Acquisition, it will further evolve as a leading national, vertically integrated labour hire and training business with improved overall margins, significant cross-sell opportunities and continued earnings growth.

The Company considers the following to be a non-exhaustive list of the potential synergies resulting from the Acquisition:

- (a) **Cost synergies:** GO2 has identified cost synergies to maximise efficiencies and reduce overheads post-Acquisition;
- (b) **Customer sector expansion:** IPW is a B2C training provider which targets mining and health industries. GO2 Skills targets the mining and construction industries and is a B2B boutique training provider;
- (c) **Geographic expansion:** there are opportunities to expand IPW geographically using the Company's presence in WA, NSW and Victoria where IPW currently has limited market penetration; and
- (d) **Cross-sell via database sharing and product expansion:**
 - (i) GO2's database of 175,000 job seekers can be targeted with IPW training offers; and
 - (ii) IPW has an opportunity to use data collected from GO2 job applications to re-target unsuccessful or unqualified applicants to develop and upskill themselves with industry specific training which will give them a better opportunity for a better employment outcome.

As set out in Section 5.1, if the Company raises more than the minimum subscription of \$2,700,000, the Company intends to allocate a significant portion of the additional funds raised towards the expansion of the IPW business, including the potential geographic expansion of the business referred to in paragraph (c) above.

3.5 Key Terms of the Acquisition Agreement

The key terms of the Acquisition Agreement are as follows:

- (a) **(Consideration):** completion will occur on performance of the Vendor of its obligations under the Acquisition Agreement, and the Company:
 - (i) issuing the Vendor 26,666,667 Shares (being that number of Shares equal to \$2,000,000 based on the issue price of the Shares offered under this Prospectus) **(Consideration Shares)**; and

- (ii) making a cash payment of:
 - (A) \$2,000,000; plus
 - (B) the vendor group debt payment, which is the amount equal to the lesser of:
 - (I) the aggregate balance of all loans and other financial accommodation provided, or otherwise made available, by IPW to the Vendor, its related bodies corporate and its associates; and
 - (II) \$1,000,000,

(Cash Consideration).

- (b) **(Working Capital Adjustment Amount):** Under the Acquisition Agreement, the Vendor is entitled to all cash on the balance sheet at completion plus a working capital adjustment amount. as part of the working capital adjustment the vendor is entitled to an additional payment should the current assets (including cash and debtors) less current liabilities (including all current tax provisions) be greater than \$25,000. as part of the working capital calculations the Vendor must ensure that the cash at bank on completion is not less than \$50,000.
- (c) **(Earn-Out Consideration):** On a date determined under the Acquisition Agreement and otherwise summarised below, the Company must pay the amount calculated in accordance with the following formula:

First Earn-Out Amount

First Earn-Out Amount = (First Adjusted Average Earnings before interest and taxation (EBIT) x 3.75) – \$5,000,000

Where:

First Adjusted Average EBIT = (\$900,000.00 + \$1,750,000 + Adjusted EBIT FY19) / 3

Subject to calculating a positive integer for the First Earn-Out Amount, the Company must pay to the Vendor the First Earn-Out Amount on the later of:

- (i) 1 January 2020; or
- (ii) the First Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the First Earn-Out statement in accordance with the Acquisition Agreement; or
 - (B) the date on which the parties agree in respect of the First Earn-Out statement pursuant to the Acquisition Agreement; or

- (C) the date on which the parties receive the Independent Accountant's determination in respect of the First Earn-Out statement pursuant to the Acquisition Agreement.

Second Earn-Out Amount

Second Earn-Out Amount = (Second Adjusted Average EBIT x 3.75) – (\$5,000,000 + the First Earn-Out Amount)

Where:

Second Adjusted Average EBIT = (\$1,750,000 + Adjusted EBIT FY19 + Adjusted EBIT FY20) / 3

Subject to calculating a positive integer for the Second Earn-Out Amount, the Company must pay to the Vendor the Second Earn-Out Amount on the later of:

- (i) 1 January 2021; or
- (ii) the Second Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the Second Earn-Out statement in accordance with the Acquisition Agreement; or
 - (B) the date on which the parties agree in respect of the Second Earn-Out statement pursuant to the Acquisition Agreement; or
 - (C) the date on which the parties receive the Independent Accountant's determination in respect of the Second Earn-Out statement pursuant to the Acquisition Agreement.

Third Earn-Out Amount

Third Earn-Out Amount = (Third Adjusted Average EBIT x 3.75) – (\$5,000,000 + the First Earn-Out Amount + the Second Earn-Out Amount)

Where:

Third Adjusted Average EBIT = (Adjusted EBIT FY19 + Adjusted EBIT FY20 + Adjusted EBIT FY21) / 3

Subject to calculating a positive integer for the Third Earn-Out Amount, the Company must pay to the Vendor the Third Earn-Out Amount on the later of:

- (i) 1 January 2022; or
- (ii) the Third Earn-Out determination date, which is:
 - (A) the date on which the Vendor agrees or is deemed to agree to the Third Earn-Out statement in accordance with the Acquisition Agreement; or

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- (B) the date on which the parties agree in respect of the Third Earn-Out statement pursuant to the Acquisition Agreement; or
- (C) the date on which the parties receive the Independent Accountant's determination in respect of the Third Earn-Out statement pursuant to the Acquisition Agreement.

To provide further information on the Earn-Out Consideration calculations, the Company has prepared the following table as an example of payments based on IPW's future EBIT:

Financial Year	IPW EBIT Scenario	Earn-Out Payment
30 June 2019	\$2,000,000	\$812,500
30 June 2020	\$2,200,000	\$1,625,000
30 June 2021	\$2,500,000	\$937,500

Please note that the figures above are examples only and have been provided to clarify the calculation of the Earn-Out Consideration. The numbers above are not prospective financial forecasts for IPW and should not be relied upon as earnings guidance for IPW for these financial years, there is no certainty that these earnings will be achieved.

- (d) **(Conditions Precedent):** Completion of the Acquisition will be subject to various conditions precedent, which include:
 - (i) the Company successfully obtaining equity funding sufficient to fund the Cash Consideration via placement of securities or a rights issue;
 - (ii) the Company obtaining Board and shareholder approval and ASX approval to facilitate the entry into, and performance of its obligations under, the Acquisition Agreement;
 - (iii) all necessary approvals required under the approval contracts (as listed in the Acquisition Agreement);
 - (iv) receipt by the Company of new employment agreements signed by either:
 - (A) Peter Evans, who is the current director of IPW and the controller of the Vendor; and
 - (B) Dean Morgan, who is the current commercial manager of IPW.
 - (v) there being no matters, events or circumstances that have had, or will have, a material adverse effect on IPW or the financial or trading position, liabilities, revenue, earnings, financial condition, profitability or prospects of IPW;
 - (vi) the Company obtaining approval from the Australian Skills Quality Authority to enable IPW to continue offering training services after completion of the Acquisition Agreement;

- (vii) there has been no material breach, and there are no circumstances that are reasonable likely to lead to a material breach of any warranty contained in the Acquisition Agreement;
- (viii) the Vendor disclosing to the Company an original copy of the current share register of IPW which evidences the Vendor's title to the Shares; and
- (ix) the price of the Company's Shares at the close of each trading day on the ASX is not less than \$0.05 for an aggregate of 8 or more consecutive trading days in the period up to completion of the Acquisition.

The Vendor has agreed that all of the Consideration Shares shall be subject to voluntary escrow as follows:

Number of Consideration Shares	Escrow Period
One-quarter of the Consideration Shares	The period commencing on the date of issue of the Consideration Shares and ending 6 months later
One-quarter of the Consideration Shares	The period commencing on the date of issue of the Consideration Shares and ending 12 months later
One-quarter of the Consideration Shares	The period commencing on the date of issue of the Consideration Shares and ending 18 months later
One-quarter of the Consideration Shares	The period commencing on the date of issue of the Consideration Shares and ending 24 months later

3.6 Lead Manager to the Capital Raising

The Company has entered into a lead manager mandate with Vested Equities Pty Ltd (ABN 54 601 621 390) (**Vested Equities**), pursuant to which Vested Equities has been engaged as lead manager to the Capital Raise Offer (**Vested Equities Mandate**). Vested Equities has agreed to provide corporate advisory, investor relations and capital raising services (**Services**) to the Company in order to raise a minimum of \$2,700,000 and a maximum of \$4,000,000 under the Capital Raising.

Vested Equities shall perform the Services for an initial term of 3 months from the commencement date, being 3 June 2019 (**Term**).

Fees and Retainer

In consideration for the provision of the Services, and subject to reaching the minimum raise under the Vested Equities Mandate of \$2,700,000, Vested Equities shall be entitled to receive the following:

- (a) the following cash fees relating to the Capital Raising:
- (i) a lead management fee of 1% of the funds raised under the Capital Raising in cash (excluding GST) (**Lead Management Fee**);
 - (ii) a corporate advisory fee of 2% of the funds raised under the Capital Raising in cash (excluding GST) (**Corporate Advisory Fee**);
 - (iii) a selling fee of 4% of the funds raised under the Capital Raising in cash (excluding GST) (**Selling Fee**),
subject to the following:
 - (iv) Vested Equities has agreed not to charge the Selling Fee or the Corporate Advisory Fee on any capital raised by the Company itself; and
 - (v) Vested Equities has agreed that it will pass on the Selling Fee to participating brokers, and will share the Lead Management Fee as appropriate with any appointed joint lead manager/s as agreed with the Company and with any such joint lead managers;
- (b) in further consideration for the Services, Vested Equities shall be entitled to receive a monthly retainer of \$15,000 (plus GST), for the duration of the Term (**Retainer**), which is payable regardless of raising the minimum amount of \$2,700,000;
- (c) subject to the Company raising the minimum amount of \$2,700,000 and obtaining Shareholder approval at the General Meeting, the Company has agreed to issue 3% of the total funds raised under the Capital Raising in unlisted options to acquire Shares in the capital of the Company (**Broker Options**). The Broker Options shall be issued on the following terms and vesting conditions:
- (i) the Broker Options will be issued at a deemed issue price of \$0.03 per Broker Option;
 - (ii) the Broker Options will be exercisable at \$0.075 per Broker Option expiring on 18 December 2020;
 - (iii) the exercise price of the Broker Options was determined through the negotiation of the terms and conditions of the Lead Manager Mandate. The Directors consider that the terms and conditions of the Broker Options and the Lead Manager Mandate are standard for securities and agreements of this nature; and
 - (i) the Broker Options will be exercisable from 31 July 2020. The last closing price of the Company's Shares on 5 April 2019 was \$0.09, and on this basis, the Broker Options may be "in the money" after their issue to Vested Equities,

(together, the **Lead Manager Fees**).

Refer to Section 6.3 for the full terms and conditions of the Broker Options.

All out of pocket expenses incurred by Vested Equities in the performance of the Services will be reimbursed by the Company, with prior consent required from the Company for expenses in excess of \$500.

The table below sets out the fees payable and number of Broker Options to be issued to Vested Equities in the event that the Minimum Subscription or Full Subscription amounts are raised under the Capital Raising.

Lead Manager Fees	Minimum Subscription (\$2,700,000)	Full Subscription (\$4,000,000)
Lead Management Fee (1% of total funds raised excluding GST)	\$27,000	\$40,000
Corporate Advisory Fee (2% of total funds raised excluding GST)	\$54,000	\$80,000
Selling Fee (4% of total funds raised excluding GST)	\$108,000	\$160,000
Total Cash Fees (excluding GST)	\$189,000	\$280,000
Broker Options	2,700,000	4,000,000

The Vested Equities Mandate otherwise contains terms and conditions such as termination provisions, indemnities, representations and warranties and non-disclosure provisions considered standard for an agreement of this nature.

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4. DETAILS OF THE OFFERS

4.1 Capital Raise Offer

The Capital Raise Offer is for an offer of up to 53,333,334 Shares at an issue price of \$0.075 per Share, together with one (1) free attaching New Option for every Share subscribed for and issued, to raise up to \$4,000,000 (before expenses).

The Capital Raise Offer is subject to Shareholder approval, which is being sought at the General Meeting. If Shareholder approval is not obtained, the Capital Raise Offer will not proceed, and no Shares or New Options will be issued pursuant to the Capital Raise Offer.

The Capital Raise Offer is available to those who submit a completed Capital Raise Offer Application Form in accordance with the instructions on the Capital Raise Offer Application Form. The Directors, in conjunction with the Lead Manager, reserve the right to issue Securities under the Capital Raise Offer to Applicants at their absolute discretion.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Capital Raise Offer and the intended use of funds raised are set out in Section 5 of this Prospectus.

4.2 Broker Options Offer

The Broker Options Offer is for an offer of up to 4,000,000 Broker Options to Vested Equities (or its nominee(s)).

The Broker Options Offer is subject to Shareholder approval, which is being sought at the General Meeting. If Shareholder approval is not obtained, the Broker Options Offer will not proceed, and no Broker Options will be issued pursuant to the Broker Options Offer.

The Broker Options will be issued on the terms and conditions set out in Section 6.3 of this Prospectus.

All Shares issued on conversion of the Broker Options will rank equally with the Shares on issue at the date of this Prospectus.

No funds will be raised from the Broker Options Offer as the Broker Options are being issued for nil cash consideration.

4.3 Cleansing Offer

The Company is seeking to raise only a nominal amount of \$1000 under the Cleansing Offer and, accordingly, the purpose of the Cleansing Offer is not to raise capital.

The primary purpose of the Cleansing Offer under this Prospectus is to remove any trading restrictions that may have attached to Shares and Options issued by the

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Company prior to the Closing Date of the Cleansing Offer (including prior to the date of this Prospectus) in connection with the Acquisition.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
 - (iii) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Applications for Shares under the Cleansing Offer should only be made if you are instructed to do so by the Company.

4.4 Minimum Subscription

The minimum subscription in respect of the Offers is \$2,700,000.

No Securities will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

4.5 Application for Shares

Applications for Securities under the Capital Raise Offer must be made using the relevant Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form.

Applicants should not there are two separate Application Forms:

- (a) a Capital Raise Offer Application Form; and
- (b) a Broker Option Offer Application Form.

By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

Applications under the Capital Raise Offer must be accompanied by payment in full in Australian currency by cheque in accordance with the instructions set out in the Capital Raise Offer Application Form. Payment for Shares must be made in full at the issue price of \$0.075 per Share multiplied by the number of Shares applied for.

Applications for Shares under the Cleansing Offer should only be made if you are instructed to do so by the Company.

4.6 Broker Options Offer

The Broker Options Offer is a personal offer to Vested Equities (or its nominees). As such, Broker Options offered under the Broker Options Offer will be allocated and issued to those parties only.

4.7 Underwriting and sub-underwriting

The Offers are not underwritten.

4.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities offered under this Prospectus.

The Company does not intend to apply for Official Quotation of the New Options and Broker Options offered under this Prospectus.

4.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Issue of Shares under the Capital Raise Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued and each Applicant waives the right to claim any interest.

The Directors, in conjunction with the Lead Manager, will determine the recipients of Securities issued under the Capital Raise Offer. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be

returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

4.10 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

4.11 Enquiries

Any questions concerning the Offers should be directed to Mr Matthew Thomson, Company Secretary, on +61 8 6151 9200.

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5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers

The purpose of the Capital Raise Offer is to raise up to \$4,000,000.

The funds raised under the Capital Raise Offer are planned to be used in accordance with the table below:

Item	Minimum Subscription (\$2,700,000)	Full Subscription (\$4,000,000)
Cash consideration for the Acquisition	\$2,000,000	\$2,000,000
Estimated expenses of the Acquisition and Capital Raising (including the estimated expenses of the Offers)	\$259,000	\$350,000
Expenditure on the IPW business	\$265,000	\$1,000,000
Corporate administration and working capital	\$176,000	\$650,000
TOTAL	\$2,700,000	\$4,000,000

Note:

In the event that the Company raises more than the minimum raise of \$2,700,000, the additional funds raised will be first applied towards the additional estimated expenses of the Acquisition and the Capital Raising, then towards expenditure on expansion of the IPW business and then towards corporate administration and working capital.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances (including the need to adapt to a changing competitive environment, and the level of demand for the Company's products and services) have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The use of further debt or equity funding will be considered by the Board where it is appropriate to expand sales, accelerate product development, develop additional production or serving capacity, or capitalise on further corporate opportunities including, but limited to, further acquisitions.

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Cleansing Offer will be applied towards the expenses of the Offer.

Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

5.2 Effect of the Offers

The principal effect of the Offers, assuming the Capital Raise Offer is fully subscribed, and no Options are exercised prior to the Closing Date of the Offers, will be to:

- (a) increase the cash reserves by approximately \$3,650,000 (after deducting the estimated expenses of the Offer) immediately on completion of the

Offers, of which \$2,000,000 will be applied toward the cash consideration component of the Acquisition;

- (b) increase the number of Shares on issue from 117,964,583 as at the date of this Prospectus to approximately 197,964,584 Shares following completion of the Offers (including the 26,666,667 Shares to be issued to Vendor as non-cash consideration for the Acquisition); and
- (c) increase the number of Options on issue from 16,750,000 as at the date of this Prospectus to 74,083,334 following completion of the Offers.

5.3 Pro-forma statement of financial position

The audit reviewed balance sheet as at 31 December 2018, the unaudited balance sheet of IPW as at 31 December 2018 and the unaudited consolidated pro-forma balance sheet as at 31 December 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the Capital Raise Offer is fully subscribed, the Acquisition has been completed, no Options are exercised prior to the Record Date and including expenses of the Offer. The pro forma balance sheet does not include the impact of the Earn Out Consideration as detailed in Section 3.5 above.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDIT REVIEWED 31 December 2018	IPW UNREVIEWED 31 December 2018	PROFORMA 31 December 2018
CURRENT ASSETS			
Cash ¹	1,488,184	47,096	3,185,280
Trade and other receivables	11,236,211	310,976	11,547,187
Other current assets	1,434,840	-	1,434,840
TOTAL CURRENT ASSETS	14,159,235	358,072	16,167,307
NON-CURRENT ASSETS			
Plant and Equipment	1,257,930	157,309	1,415,239
Other non-current assets	1,460,840	326,348	6,137,188
TOTAL NON-CURRENT ASSETS	2,718,770	483,657	7,552,427

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	AUDIT REVIEWED 31 December 2018	IPW UNREVIEWED 31 December 2018	PROFORMA 31 December 2018
TOTAL ASSETS	16,878,005	841,729	23,719,734
CURRENT LIABILITIES			
Trade and other payables	4,945,483	148,065	5,093,548
Borrowings	6,927,388	-	6,927,388
Other	265,477	58,452	323,929
TOTAL CURRENT LIABILITIES	12,138,348	206,517	12,344,865
NON-CURRENT LIABILITIES			
Borrowings	439,642	8,312	447,954
TOTAL NON-CURRENT LIABILITIES	439,642	8,312	447,954
TOTAL LIABILITIES	12,577,990	214,829	12,792,819
NET ASSETS	4,300,015	626,900	10,926,915
EQUITY			
Share capital	15,858,288	100	21,858,288
Reserves	1,598,225	-	1,598,225
Retained (losses)/ earnings	(13,156,498)	626,800	(12,529,698)
TOTAL EQUITY	4,300,015	626,900	10,926,915

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company (for both minimum and full subscription) assuming no Options are exercised prior to the Closing Date, is set out below.

Shares

	Minimum Subscription	Full Subscription
Shares currently on issue ¹	117,964,583	117,964,583
Shares issued to Vendors for Acquisition ²	26,666,667	26,666,667
Shares offered pursuant to the Capital Raise Offer	26,666,667	53,333,334

Total Shares on issue following the Offers	171,297,917	197,964,584
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Notes:

- 64,500,000 Shares which are currently on issue are restricted from trading until 31 October 2019.
- The Shares will be subject to voluntary escrow arrangements. Refer to Section 3.5(d) for further information on the escrow arrangements.

Options

	Minimum Subscription	Full Subscription
Options currently on issue (unquoted): (exercisable at \$0.225 on or before 21 June 2021 ¹) (exercisable at \$0.30 on or before 21 June 2021 ¹) (exercisable at \$0.40 on or before 21 June 2021 ¹) (exercisable at \$0.30 on or before 17 December 2021)	2,500,000 5,000,000 7,500,000 1,750,000	2,500,000 5,000,000 7,500,000 1,750,000
New Options offered pursuant to the Capital Raise Offer ² (Unquoted exercisable at \$0.10 on or before twelve (12) months from the date of issue)	26,666,667	53,333,334
Broker Options to be issued to Lead Manager ^{2,3} (Unquoted exercisable at \$0.075 on or before 18 December 2020)	2,700,000	4,000,000
Total Options on issue following the Offers	46,116,667	74,083,334

Notes:

- Subject to voluntary escrow and restricted from being free tradeable until 31 October 2019.
- Unlisted options to acquire Shares issued on a 1:1 basis free attaching to each Share subscribed for and issued under the Capital Raising (**New Options**) exercisable at \$0.10 per New Option and expiring on the date that is twelve (12) months from the date that the Shares offered under the Capital Raising are issued. Refer to Section 6.2 for the full terms and conditions of the New Options.
- Unlisted options to acquire Shares issued to the Lead Manager (**Broker Options**) exercisable at \$0.075 per Broker Option, vesting in the holder from 31 July 2020 and expiring on 18 December 2020. Refer to Section 6.3 for the full terms and conditions of the Broker Options.
- The number of Broker Options issued to the Lead Manager will vary depending on the total funds raised under the Capital Raise. A maximum of 4,000,000 Broker Options can be issued to the Lead Manager in the event that \$4,000,000 is raised from the Capital Raising.

5.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Abilio (Billy) Ferreira ¹	27,887,976	23.64
Paul Goldfinch ²	27,611,301	23.41

Notes:

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1. Mr Ferreira's relevant interest in the securities of the Company is comprised of 27,500,000 Shares held indirectly through Everglades Investment Pty Ltd <Everglades Discretionary A/C>, 40,000 Shares held indirectly through BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd <BF Super Fund A/C> and 347,976 Shares which are held directly by Mr Ferreira.
2. Mr Goldfinch's relevant interest in the securities of the Company is comprised of 27,500,000 Shares held indirectly through Goldfinch Discretionary Pty Ltd <Goldfinch Discretionary A/C>, 27,730 Shares which are held directly by Mr Goldfinch and 83,571 Shares which are held by Mr Goldfinch's wife and sons.

No Shareholder will, as a result of the Offers, increase their relevant interest in the Company to above 20%. In the case of the above persons, the Offers will not result in those holders increasing their interest in the Shares of the Company.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to Securities being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 Rights and Liabilities Attaching to Shares

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 **Rights and Liabilities Attaching to New Options**

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date that is twelve (12) months from the date of issue of the Shares issued under the Capital Raising (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Each New Option is exercisable between the date of its issue to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6.3 Rights and Liabilities Attaching to Broker Options

(a) **Entitlement**

Each Broker Option entitles the holder to subscribe for one Share upon exercise of the Broker Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Broker Option will be \$0.075 (**Exercise Price**).

(c) **Expiry Date**

Each Broker Option will expire at 5:00 pm (WST) on 18 December 2020 (**Expiry Date**). A Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Each Broker Option will vest in the holder and become exercisable between 31 July 2020 and 18 December 2020 (**Exercise Period**).

(e) **Notice of Exercise**

The Broker Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Broker Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Broker Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Broker Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Broker Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the Broker Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Broker Options.

(k) **Change in exercise price**

A Broker Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Broker Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Risks specific to the Acquisition

(a) Completion of Acquisition

The Acquisition is expected to be completed by 14 August 2019, but there can be no guarantee that this will occur. Due to circumstances beyond the control of the Company, including the outcome of the Resolutions the subject of the Notice of Meeting, it is possible that the Acquisition is not ultimately completed, or completion may be delayed. These circumstances could materially impact the Company's future earnings.

(b) Risk of the Shareholders not approving the Acquisition and Capital Raising

Given that completion of the Acquisition and the Capital Raising are subject to Shareholder approval at the General Meeting, there is a risk that, if any one of the Resolutions are not passed, the Company will not be able to complete the Acquisition or the Capital Raising.

(c) Acquisition and integration risk

The Acquisition may consume a large amount of management time and attention during integration, and the Acquisition may fail to meet strategic objectives or achieve expected financial performance (including unrealised synergies).

(d) Due diligence risk

The Company has performed certain due diligence on IPW. There is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue which was not identified prior to completion of the Acquisition could have an adverse impact on the financial performance or operations of the Company. As is usual in the conduct of acquisitions, the due diligence process undertaken by the Company identified a number of risks associated with the Acquisition, which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of

the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Company's earnings and financial position.

(e) **Counterparty and contractual risk**

Pursuant to the Acquisition Agreement the Company has agreed to enter into the Acquisition subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement and other agreements related to the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(f) **Dilution risk**

The Company currently has 117,964,583 Shares on issue. On completion of the Acquisition and the Capital Raising (assuming full subscription), the Company will have 197,964,584 Shares on issue. The existing Shareholders will retain approximately 60%, recipients of the Shares issued to the Vendor of IPW in the Acquisition will hold approximately 13% and recipients of the Shares issued in the Capital Raising will hold approximately 27% of the issued capital of the Company on completion of the Acquisition and Capital Raising.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Company and future opportunities.

7.3 **Company specific**

(a) **Workers health and safety (major workers claims)**

The Company is a major employer and is controlled by the laws, regulations and rules relating to workers' health and safety (**WHS**). Any major incident that may cause a death, injury or mental related illness may cause a major disruption to the labour hire division and could create a major financial claim against the Company. Claims of sexual or racial abuse may also have a detrimental effect on the labour hire division operations. The Company may face legal proceedings and penalties that force the Company to cease labour hire division operations.

Due to the nature of the labour hire business, and the Company contracting to third party clients, companies and businesses where the Company has no direct corporate or management control, and no total transparency of the management & WHS risk control within the clients operations, the Company is limited in its ability to carry out continuing assessment and monitoring of WHS risks, and has less control over the management of risk of a WHS incident and greater exposure to WHS risks and a possible claim.

To mitigate risk, the Company has workplace policies and procedures in place to systematically manage risks arising from workplace hazards, including effective consultation and communication with the workers involved about these risks and how they are to be managed. The

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Company carries out due diligence and risk checking/monitoring on all clients.

The Company also has comprehensive insurance to mitigate the financial effect that may arise from an incident or claim.

(b) **Reliance on Major Clients**

The Company's labour hire business has operated over 7 years (since 2011) and has an established and consistent client list which utilise its labour hire services. A large percentage of the Company's revenue is derived from its top 10 clients. If a major client has a financial failure and has a major outstanding debt to the Company, and that debt ultimately becomes a bad debt, this may cause financial stress on the Company. The Company mitigates the risk through debtor insurance, debtor management and debtor limits. There is also a risk to the sales of the business if any one or a number of these top clients ceases to use the Company's services, or significantly reduces the amount of labour hire due to financial failure or reduced labour requirements. To mitigate this risk, the Company has continued to increase the client base in Australia (including the eastern states) to reduce the effects of the loss of revenue from any existing clients.

(c) **Key management, employee and staff risk**

There is a risk that, where there is a turnover of key staff who have knowledge of business processes, that knowledge will be lost upon those staff resigning or retiring. This risk relates to information in respect of the present labour hire division, as well as in respect of IPW, and incorporates the opportunity cost for replacement of those staff, and the cost of subsequent training.

This risk is mitigated by the fact that management of the labour hire division and GO2 Building have historically had low levels of turnover, and most management positions can be covered by internal staff. The businesses do not have a high degree of intellectual knowledge that would be lost if any key management or employee resigned or retired. This risk is further mitigated by the fact that a number of key management personnel have significant shareholdings in the Company, which aligns their interests with that of Shareholders.

(d) **Additional requirements for working capital (cashflow risk)**

The cashflow requirements of the Company depend on a number of factors. Depending on the ability of the Company to generate income from its operations, depending on the amount raised under this Prospectus, and on the timing of cash receipts and payment due (cashflow management), the Company may require further financing in addition to amounts raised under this Prospectus, including bank overdrafts, debtors factoring/financing and further capital raising in order to meet the Earn Out Consideration.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, renegotiate the timing of payment for the Earn Out Consideration, and may experience cashflow tightness. As the main

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business of the Company is labour hire, it will be required to pay labour cost consistently in a short period of time, payroll weekly/fortnightly, PAYG/BAS and financing costs monthly, but may not receive payment from its clients (debtor's collection) for more than 30 days (60 – 90 days). This will require strict cashflow management by the Company.

The Company has mitigated the risk by having a facility with Scottish Pacific (BFS) Pty Ltd for debtor finance, this facility provides available funds weekly to the company based on the value of invoices raised. The facility has restrictions arounds debtor limits, concentration and payment terms. The Company's chief financial officer oversees cashflow management, manage debtors and debtor controls.

(e) **Technology disruption eroding Labour hire & building business's**

Industries in which the building businesses compete may be subject to disruptive changes from new technologies for the building of fast build smart housing. If the building businesses are unable to continue to develop technologies or gain access to new technologies and anticipate or respond to disruptions in the market it competes in, the Company may suffer a reduction of demand for their building services which may have an adverse effect on the Company's financial performance.

The labour hire industry may experience disruption from the use of new technologies that may be able to reduce the number of workers required by the Company's clients. The Company may suffer a reduction of demand for their labour hire services, which may have an adverse effect on the Company's financial performance.

(f) **Key management/Employee/Staff Risk**

There is a risk that, where there is a turnover of key staff who have knowledge of businesses processes, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of the present labour hire business, as well as in respect of Terra Firma and GO2 Building, and incorporates the opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as the Company's labour hire management, Terra Firma and GO2 Building management have historically had low levels of turnover, and most management positions can be covered by internal staff. The businesses do not have a high degree of intellectual knowledge that would be lost if any key management or employee resigned or retired.

(g) **Competition**

The labour hire business is considered a competitive low margin business, and the size of the market can be affected by over-supply or the entrant of too many new entrants, or a large competitor. The initial investment required and the cashflow requirements are difficult for new entrants, and create some barriers to easy entry into the market. There is a number of smaller labour hire business in Australia, the main market in Western Australia being the mining industry, and in the eastern states more predominately infrastructure projects. There are only a small number of labour hire companies of similar size to the Company (in terms of revenue and number of employees).

The building/construction business is considered to operate in a competitive market. The size of the market can be affected by over supply or the entrance of too many new entrants, or a large competitor. There have been a number of business failures, corporate administrations, reconstructions and liquidations in the housing building & construction industry in the past 5 years.

There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future. Increased competition in the industry may reduce sales and selling prices and profit margins and may adversely affect the Company's performance. There is also the risk that a competitor could concentrate on the quick build, smart home, and over 55 market creating further competition for the Company. This may adversely affect the Company's financial performance and potentially impact Shareholder returns.

(h) **Reputation risk**

The reputation of The GO2 People, Terra Firma and GO2 Building has been a key advantage of the Company. The reputation and value associated with this reputation could be adversely affected by a number of factors including a WHS incident, disputes or litigation with third parties, employees, suppliers or clients, or adverse media coverage (including social media) or other circumstances including those beyond the direct control of Company. The labour hire industry and building and construction industries rely heavily on the reputation of the supplier, and any loss of reputation of the Company or its businesses could result in a reduction in revenue and may have an adverse impact on the Company's performance.

(i) **Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, WHS claims, occupational health and safety claims, employee claims, union disputes, and construction and building faults claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(j) **Contractual Risk**

Pursuant to the Acquisition Agreements, settlement of the Acquisitions is subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives as they relate to the building businesses will depend in part on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(k) **Liquidity Risk**

On settlement of the Acquisition, the Company proposes to issue the Consideration Shares to the Vendors. These Consideration Shares will be subject to voluntary escrow arrangements as detailed in section 3.5 above. The Company also presently has 64,500,000 Shares on issue which

are restricted from trading until 31 October 2019 that were issued in connection with the Company's initial public offering.

Based on the anticipated post-Acquisition capital structure (assuming no further Shares are issued), the Company expects that approximately 46.05% of the issued Share capital on an undiluted basis (assuming Full Subscription under the Offer) will be restricted from trading. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

There is no guarantee that an active market in the Shares will develop on listing or that the price of the Shares will increase on the commencement of trading. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

(l) **Risk of High Volume of Share Sales**

If settlement of the Acquisition occurs and the Offers under this Prospectus are completed, the Company will have issued a significant number of Shares to various parties. In addition, the Company notes that it has a significant number of Shares being released from escrow in October 2019. Some of the recipients of Securities under the Acquisition and Capital Raising and the holders of presently escrowed Shares may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Offer.

(m) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including interest rates, building and construction indexes, the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(n) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, or businesses that are complementary to the Company's businesses. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and client and supplier relationships.

(o) **Leverage Risk**

The Company will use debt, as required, to assist in managing its labour hire business requirements and operating payments, making investments in new businesses, funding building and development projects, subject to an appropriate gearing ratio (net debt/shareholders equity ratio) range in the Company. If prevailing interest rates or other factors at the time of a refinancing result in higher interest rates on the debtor facility on such refinancing, the Company's interest expense would increase, which could harm the operating results of the Company and its ability to pay dividends.

7.4 Industry specific

(a) **Building & Construction Industry Volatility Risk**

The Company's labour hire division and the building and construction businesses it does and will operate (IPW and GO2 Building) are highly dependent on the activities of the construction and building industry (including major infrastructure, residential, non-residential, commercial building and construction) in Australia. The industry can be cyclical and sometimes volatile, and is highly sensitive to a broad range of economic and other factors that may be beyond the Company's control. Factors include general economic and market conditions, housing demand from population growth, demographic trends, commercial leasing market conditions and commercial and industrial site vacancy levels, present and future governmental infrastructure investments, general housing prices, housing interest rates, inflation/deflation, government and/or Reserve Bank lending policies in relation to residential housing construction, land releases, energy and environment requirements and regulations, income tax rates, employment levels, jobs growth, personal income levels, consumer spending, business and consumer confidence including homebuyers, commercial property developers and investors.

The Company will be affected by the level of construction activity in Australia, and the rise and fall of property prices. Any lower levels of construction or building activity, or reduction in property prices as a result of the above factors, or others, could lead to a significant reduction in the Company's future revenues and profits.

The Company is looking to mitigate this risk by diversifying its offering both within the construction industry, and also in other potential industries such as health and aged care, maintenance and IT. The Company also has an advisory board, that will assist in tracking and assessing the risks and trends of the industry.

(b) **Industrial Relations Risk**

The Company's main business of labour hire may be significantly affected by any adverse changes to industrial relations laws, regulations and rules. This may increase employee costs, reducing an already thin operating margin within the labour hire industry. Any industrial relations changes may also have a significant effect on clients of the Company, forcing them to reduce the number of workers that they contract. The Company may also be subject to industrial action and disputes from trade unions, which may cause a disruption to the Company's operations, and may harm the Company's reputation and adversely impact financial performance.

The Company mitigates this risk by diversifying its offering, both within the construction industry, and also outside the industry, in prospective industries that may experience different impacts from industrial relations changes, such as health and aged care, maintenance, and IT. The Company also has an advisory board, that advises on, and assists in managing any changes in industrial relations. The advisory board also advises on union and human relations matters.

(c) **Technology Disruption**

Industries in which the building businesses compete may be subject to disruptive changes from new technologies for the building of fast build smart housing. If the building businesses are unable to continue to develop technologies or gain access to new technologies and anticipate or respond to disruptions in the market it competes in, the Company may suffer a reduction of demand for their building services which may have an adverse effect on the Company's financial performance.

The labour hire industry may experience disruption from the use of new technologies that may be able to reduce the number of workers required by the Company's clients. The Company may suffer a reduction of demand for their labour hire services, which may have an adverse effect on the Company's financial performance.

(d) **Competition**

The labour hire business is considered a competitive low margin business, and the size of the market can be affected by over-supply or the entrant of too many new entrants, or a large competitor. There is a number of smaller labour hire business in Australia, the main market in Western Australia being the mining industry, and in the eastern states more predominately infrastructure projects. There are only a small number of labour hire companies of similar size to the Company (in terms of revenue and number of employees).

The building/construction business is considered to operate in a competitive market. The size of the market can be affected by over supply or the entrance of too many new entrants, or a large competitor. There have being a number of business failures, corporate administrations, reconstructions and liquidations in the housing building & construction industry in the past 10 years.

There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future. Increased

competition in the industry may reduce sales and selling prices and profit margins and may adversely affect the Company's performance. There is also the risk that a competitor could concentrate on the quick build, smart home, and over 55 market creating further competition for the Company. This may adversely affect the Company's financial performance and potentially impact Shareholder returns.

7.5 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that

the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.6 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
08/07/2019	Managing Director Letter July 2019
04/07/2019	Suspension Extension
03/07/2019	GO2 Capital Raise Investor Presentation July 2019
03/07/2019	General Meeting Proxy Form
03/07/2019	Notice of General Meeting
06/06/2019	Appendix 3Z
06/06/2019	IPW Acquisition Update, Operation and Board Changes
28/05/2019	Suspension Extension
14/05/2019	The GO2 People Ltd Suspension Extension
01/05/2019	Appendix 4C – Quarterly
30/04/2019	Suspension Extension
23/04/2019	The GO2 People Acquires Industry Pathways
17/04/2019	Voluntary Suspension Extension
10/04/2019	Suspension from Official Quotation
08/04/2019	Trading Halt
31/01/2019	Appendix 4C – Quarterly
19/12/2018	Change of Director's Interest Notice
19/12/2018	Change of Director's Interest Notice
19/12/2018	Change of Director's Interest Notice
19/12/2018	Appendix 3B
30/11/2018	Results of GO2 AGM
29/11/2018	GO2 AGM MD Presentation
31/10/2018	The GO2 People September Quarter Update & 4C
29/10/2018	Notice of Annual General Meeting

Date	Description of Announcement
08/10/2018	GO2 Enters Term Sheet to Acquire GO2 Skills & Training
28/09/2018	The GO2 People Ltd Appendix 4G 2018
28/09/2018	GO2 Annual Report 2018

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.thego2people.com.au.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company's Shares have been suspended from trading on ASX since 10 April 2019.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.09	10 April 2019
Lowest	\$0.09	10 April 2019
Last	\$0.09	10 July 2019

8.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Abilio (Billy) Ferreira	27,887,976 ^{1,2}	3,100,000 ³
Andries Dique	450,000 ⁴	500,000 ⁵
Darren Cooper	500,000	750,000 ⁵

Notes:

1. Comprising:
 - a. 27,500,000 Shares held indirectly through Everglades Investment Pty Ltd <Everglades Discretionary A/C>;
 - b. 40,000 Shares held indirectly through BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <BF Super Fund A/C>; and
 - c. 33,367 Shares held directly by Mr Ferreira.
2. This number does not include an additional 40,000 Shares which are held by members of Mr Ferreira's immediate family.
3. Comprising:
 - a. 800,000 Class B Options exercisable at \$0.30 on or before 21 June 2021; and
 - b. 2,300,000 Class C Options exercisable at \$0.40 on or before 21 June 2021.
4. Held indirectly through Anjet Projects Pty Ltd <The Lyndi Super Fund A/C>.
5. Unlisted Options exercisable at \$0.30 each on or before 17 December 2021 and issued pursuant to Shareholder approval obtained at the Annual General Meeting held 29 November 2018.
6. Unlisted Options exercisable at \$0.30 each on or before 17 December 2021 and issued pursuant to Shareholder approval obtained at the Annual General Meeting held 29 November 2018.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	30 June 2018 (Actual)	30 June 2019 (Actual)	30 June 2020 (Proposed)
Billy Ferreira	\$294,583	\$328,500]	\$328,500
Andries Dique	\$13,687	\$60,225	\$60,225
Darren Cooper	\$55,550	\$82,125	\$82,125

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Vested Equities has acted as the Lead Manager to the Company in relation to the Capital Raise Offer. The Company estimates it will pay Vested Equities a Lead Manager fee of approximately \$280,000 in respect of the Capital Raise Offer (assuming full subscription). During the 24 months preceding lodgement of this Prospectus with the ASIC, Vested Equities has been paid fees totalling \$15,000 by the Company for Lead Manager services provided to the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$197,242 (excluding GST and disbursements) for legal services provided to the Company.

For personal use only

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Vested Equities has given its written consent to being named as Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. Vested Equities has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registrar to the Company in this Prospectus in the form in which it is named. Computershare Investor Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Estimated expenses of Offer

The total expenses of the Offer (assuming the Capital Raise Offer is fully subscribed) are estimated to be approximately \$311,048 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	17,842
Legal Fees	5,000
Lead Manager Fee (Cash)	280,000
Miscellaneous, printing and other expenses	5,000
Total	311,048

8.8 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form

on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on 08 6151 9200 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

8.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.10 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the *Corporations Act* and certain rules such as the *ASX Settlement Operating Rules*. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Darren Cooper
Non-Executive Chairman
For and on behalf of
THE GO2 PEOPLE LTD

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10. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Securities under this Prospectus.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Broker Option means an Option having the terms and conditions set out in Section 6.3.

Broker Option Offer has the meaning given at Section 4.2.

Broker Option Offer Application Form means the Application Form for the Broker Option Offer.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Capital Raise Offer has the meaning given at Section 4.1.

Capital Raise Offer Application Form means the Application Form for the Capital Raise Offer.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means THE GO2 PEOPLE LTD (ACN 616 199 896).

Consideration Shares has the meaning given in Section 3.5(a)(i) of this Prospectus.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Earn Out Consideration has the meaning given in Section 3.5(c).

General Meeting means the general meeting of Shareholders which is to be held on or about 9 August.

New Option means an Option having the terms and conditions set out in Section 6.2.

Notice of General Meeting means the notice of general meeting lodged on the Company's ASX platform on 3 July 2017 in respect of, among other things, the Acquisition and the Capital Raising.

Offers means the Capital Raise Offer, Broker Option Offer and Cleansing Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

Securities means the Shares and Options offered under this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Computershare Investor Services Pty Limited.

WST means western standard time as observed in Perth, Western Australia.