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HotCopper

PROSPECTUS

INITIAL PUBLIC OFFERING

HotCopper Holdings Limited
ACN 611 717 036

For the issue of 110,000,000 Shares at \$0.20 per Share

IMPORTANT INFORMATION

This document is important and should be read in its entirety. If after reading this prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

LEAD MANAGER



IMPORTANT INFORMATION

OFFER

This document (**Prospectus**) is issued by HotCopper Holdings Limited ACN 611 717 036 (**Company**) for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). This Prospectus contains an invitation for you to apply for fully paid ordinary shares in the Company (**Shares**) in its initial public offering (**Offer**).

LODGMET AND LISTING

This Prospectus is dated 27 July 2016 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date (**Prospectus Date**).

The Company will apply to ASX Limited ABN 98 008 624 691 (**ASX**) within seven days after the Prospectus Date for admission of the Company to the official list of ASX (**Official List**) and quotation of its Shares on ASX (**Listing**). Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or for the merits of the investment to which the Prospectus relates.

EXPIRY DATE

This Prospectus expires on 27 August 2017, the date which is 13 months after the Prospectus Date (**Expiry Date**), and no Shares will be issued on the basis of this Prospectus after the Expiry Date.

NOTE TO APPLICANTS

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor.

Cooling-off rights do not apply to an investment in Shares under the Prospectus. That means that, in most circumstances, you cannot withdraw your application once it has been accepted.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company and in

order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Shares.

There are risks associated with investing in the Company. In considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company, and carefully consider these factors in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional guidance from your broker, solicitor, professional adviser or accountant before deciding whether to invest. Some risk factors that investors should consider are outlined in Section 1.5 and Section 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or of its shares, including those offered by this Prospectus, will be achieved, or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding the past performance of Report Card Pty Ltd trading as HotCopper. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

DISCLOSING ENTITY

Once admitted to the Official List, the Company will be a disclosing entity for the purpose of the Corporations Act and as such will be subject to regular reporting and disclosure obligations under the Corporations Act and the official listing rules of the ASX (**Listing Rules**).

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing applications for Shares under this Prospectus (**Applications**) in the seven day period after lodgement of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made available to Australian residents at the Company's website, <http://investors.hotcopper.com.au/investor-centre/prospectus/>

DISCLAIMER AND FORWARD-LOOKING STATEMENTS

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

Except as required by law, and only to that extent, neither the Company nor any other person warrants or guarantees the future performance of the Company, nor any return on any investment made pursuant to this Prospectus.

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

Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections are or may be forward-looking statements. In addition, consistent with customary market practice in securities offerings in Australia, Forecast Financial Information has been prepared and included in this Prospectus. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, 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 the Company, the Directors and Company management. The Forecast Financial Information and the forward-looking statements should therefore be read in conjunction with other information in this Prospectus. The Directors 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.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors.

FINANCIAL INFORMATION

Section 4 sets out in detail the financial information referred

to in this Prospectus. The basis of preparation of the financial information is also set out in Section 5 and Schedule 3.

Financial amounts expressed in this Prospectus are in Australian dollars unless otherwise indicated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

PROSPECTUS AVAILABILITY

A hard copy of the Prospectus is available free of charge during the Offer period to any HotCopper Member in Australia by calling the Company's Share Registry between 9.00am and 5.00pm (Perth Time), Monday to Friday. This Prospectus is also available in electronic form to HotCopper Members via the HotCopper website, <http://investors.hotcopper.com.au/investor-centre/prospectus/>

The Offer constituted by this Prospectus in electronic form is available only to Australian resident HotCopper Members accessing the website within Australia. Hard copy and electronic versions of this Prospectus are not available to persons in other jurisdictions.

APPLICATIONS

Applications for Shares may only be made during the Offer period on the Application Form accompanying this Prospectus in its hard copy form, or in its soft copy form which must be downloaded in its entirety from <http://investors.hotcopper.com.au/investor-centre/prospectus/>, together with an electronic copy of this Prospectus (**Application Form**). By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

PRIVACY

By completing an Application Form, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold to be included in the Share register). In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Share Registry for ongoing administration of the Share Register;
- the Lead Manager in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Shareholder base; and

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- legal and accounting firms, auditors and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry.

DIAGRAMS

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the Prospectus Date.

COMPANY WEBSITE

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website, or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference.

DEFINED TERMS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the Glossary. Unless otherwise stated or implied, references to times in this Prospectus are to Perth Time. Unless otherwise stated or implied, references to dates or years are calendar year references.

RESTRICTIONS ON DISTRIBUTION

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act laws and any other applicable securities laws.

THIS PROSPECTUS IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

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TABLE OF CONTENTS

IMPORTANT INFORMATION	1
CHAIRMAN'S LETTER.....	5
1 INVESTMENT OVERVIEW	6
2 COMPANY OVERVIEW	18
3 KEY PEOPLE, INTERESTS AND BENEFITS	23
4 FINANCIAL INFORMATION.....	30
5 INDEPENDENT LIMITED ASSURANCE REPORT	53
6 RISKS	62
7 DETAILS OF THE OFFER	66
8 ADDITIONAL INFORMATION.....	73
9 CORPORATE DIRECTORY.....	81
10 GLOSSARY	82
SCHEDULE 1	87
SCHEDULE 2	96
SCHEDULE 3	99

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CHAIRMAN'S LETTER

Dear Investor

On behalf of the Board, I am pleased to invite you to become a Shareholder in HotCopper Holdings Limited (the **Company**).

The Company has agreed to acquire Report Card Pty Ltd (**Report Card**) which operates HotCopper, Australia's leading stock market internet discussion forum.

HotCopper is the largest internet discussion forum in relation to the Australian stock market and has become a popular source of information and discussion for a wide range of investors. In addition, HotCopper is an investor relations service for ASX-listed companies seeking access to HotCopper's substantial user base of retail and sophisticated investors and self-managed superannuation funds.

HotCopper currently generates revenue from commercial and corporate advertising and is profitable.

Following the IPO, HotCopper will seek to develop new revenue streams through website enhancements, product development and possible strategic partnerships. We believe HotCopper has substantial growth potential through the successful development of new products that capitalise on HotCopper's access to a large and broad range of investors.

This prospectus contains detailed information about the Offer, including relevant financial information and the material risks associated with an investment in the Company. I encourage you to read this document carefully and in its entirety before making your investment decision.

On behalf of the Board, I look forward to welcoming you as a Shareholder.

Yours sincerely

Steve James
Chairman

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1 INVESTMENT OVERVIEW

1.1 Introduction

Question	Answer	For further information
Who is the issuer of the Prospectus?	HotCopper Holdings Limited (ACN 611 717 036).	Section 2.1
What is the Offer?	<p>The Offer is for 110,000,000 new Shares in the Company comprising:</p> <ul style="list-style-type: none"> • 60,921,166 Shares at \$0.20 per Share to raise \$12,184,233; and • 49,078,834 Shares to be issued to the shareholders of Report Card as part consideration for the acquisition of 100% of Report Card. 	Section 7.1
Who is Report Card?	<p>Report Card owns and operates HotCopper, Australia's leading stock market internet discussion forum.</p> <p>The shareholders of Report Card, or Vendors, have agreed to sell all their Report Card shares to the Company for total consideration of \$20,000,000 made up as follows:</p> <ul style="list-style-type: none"> • Cash consideration: \$10,184,233 • Share consideration: \$9,815,767 by the issue of 49,078,834 Shares in the Company at \$0.20 per Share. <p>Completion of the sale of the Report Card shares to the Company is conditional on Completion of the Offer, including the allotment of Shares pursuant to the Offer.</p>	Sections 2.1 and 8.2.1
Why is the Offer being conducted?	<p>The Company is conducting the Offer to:</p> <ul style="list-style-type: none"> • acquire Report Card; • enable the Shares to be listed on the ASX; • fund enhancements to the HotCopper website, new product development and Offer costs; • provide greater access to capital markets for strategic growth initiatives and acquisition opportunities if they arise; • enhance HotCopper's business profile as a result of being listed on the ASX; and • assist HotCopper in attracting and retaining quality staff through equity-linked performance incentives. 	Section 7.1.2

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1.2 Key Features of the HotCopper Business Model

Question	Answer	For further information
What is HotCopper?	<p>HotCopper is Australia's leading internet discussion forum in relation to Australian listed companies and the ASX generally.</p> <p>www.hotcopper.com.au</p> <p>HotCopper had approximately 235,000 registered members and approximately 623,806 unique visitors to the website in May 2016.</p>	Sections 2.1, 2.2 and 2.3
Who uses HotCopper?	<p>HotCopper's user and Membership base comprises a broad range of investors, including Australian retail and sophisticated investors and self-managed superannuation funds. HotCopper is a platform for its users to discuss Australian listed companies and the ASX.</p> <p>Monthly unique visitors to HotCopper have increased from approximately 217,000 in January 2013 to approximately 623,806 in May 2016.</p> <p>HotCopper is also used by Australian listed companies as an investor relations tool. For example, a company may undertake a targeted email campaign to promote its business and investment proposition to HotCopper members.</p>	Sections 2.1, 2.2 and 2.3
How does HotCopper compare with other Australian stock market internet discussion forums?	<p>Comparative, independently sourced information indicates that HotCopper is the most popular Australian stock market internet discussion forum.</p> <p>In January to May 2016, the number of site visits to HotCopper was approximately 18 times greater than its nearest competitor.</p>	Section 2.3
How does HotCopper derive its revenue?	<p>HotCopper derives its revenue through advertising, which is broadly divided into two streams of clients:</p> <ul style="list-style-type: none"> • Commercial advertisers: display advertising on HotCopper by consumer brands and online advertisers; and • Corporate advertisers: investor marketing campaigns undertaken by Australian listed companies. <p>Following the IPO, HotCopper will seek to develop new revenue streams through product development and possible strategic partnerships.</p>	Section 2.4

What are HotCopper's key expense items?	Key expenditure items for HotCopper include: <ul style="list-style-type: none"> • Staff wages and salaries; • Advertising commissions; • Internet hosting and servers; and • Data feeds. 	Section 4.5.3
What is the Company's strategy?	The Company's strategy is to: <ul style="list-style-type: none"> • increase HotCopper's Membership and user base and therefore its relevance to Australian listed companies; • target growth in advertising revenue from greater website traffic and corporate advertising; • develop new products that benefit from HotCopper's position in the Australian investment market to create additional revenue streams; and • seek complementary strategic partnerships. 	Section 2.5

1.3 Key Strengths of HotCopper's Business

Topic	Summary	For further information
Market-leading position	HotCopper is Australia's leading internet discussion forum in relation to Australian stock market investment.	Section 2.3
Significant addressable markets	ASX statistics indicate that approximately 4.7 million Australian's have a direct investment in the Australian stock market and that more than 50% of retail investors trade through a 'non-advice broker' or trading platform.	Section 2.2
Growing user base	HotCopper has recorded strong growth in website visitors, with monthly unique visitors increasing from approximately 217,000 in January 2013 to approximately 623,806 in May 2016.	Section 2.1
Size and Relevance	HotCopper is a source of information for a range of investors, in particular retail and sophisticated investors and self-managed superannuation funds that may not trade with an 'advice broker'. HotCopper's website traffic is comparable to some of Australia's leading online businesses.	Section 2.2
Established revenue and profit	HotCopper generates revenue from commercial and corporate advertising and is profitable. HotCopper's Customer base and Membership has been established with minimal business development activity.	Sections 2.4 and 4.3

Website enhancements and product development	HotCopper is developing new website features and products designed to enhance the user experience and create new revenue opportunities.	Section 2.5
Experienced Board with strong track record	The Company's Board has substantial experience in financial markets, distribution, sales and marketing and compliance.	Section 3.1

1.4 Key Financial Information and Dividend Policy

Question	Answer	For further information
What is the key financial information for HotCopper and the Company?	<p>Details of Report Card's Historical Financial Information, Report Card's Forecast Financial Information and the Company's Forecast Financial Information is contained in Section 4.</p> <p>Investors should be aware that past performance should not be relied upon as being indicative of future performance.</p>	
How does the Company expect to fund its operations?	<p>HotCopper is currently profitable and has historically funded its operations from operating earnings.</p> <p>Growth initiatives will be funded from a combination of existing cash, operating earnings and net proceeds from the Offer.</p> <p>The forecast financial performance relates to the existing HotCopper business and does not include any forecast revenue or expenses from growth initiatives as the Company does not have sufficient information in relation to the potential financial effects of the growth initiatives to be able to provide any such forecast.</p>	Sections 2.4 and 4.3
Will the Company have any debt facilities?	The Company has no debt facilities and no present intention or requirement to put any in place.	
What is the Company's dividend policy?	Report Card has previously paid dividends (FY13: \$352,569, 1HFY16: \$570,500). Neither Report Card nor the Company intend to pay a final dividend for FY2016. Further, neither Report Card nor the Company presently intend to pay any dividends in FY2017 as surplus profits will be reinvested in the business in order to maximise growth.	Section 4.7

1.5 Specific Risks to HotCopper

The business, assets and operations of HotCopper and the Company are subject to certain risk factors that have the potential to influence future operating and financial performance. These risks may have an impact on the value of an investment in the Company's Shares.

The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. Some risks are unforeseeable and so to the extent to which these risks can be effectively managed is somewhat limited.

Set out below are specific key risks to which the Company is exposed. Further general risks associated with an investment in the Company are outlined in Section 6.3.

Topic	Summary	For further information
Disruptions to information technology infrastructure	If HotCopper's information technology network is compromised for any reason or HotCopper's redundancy infrastructure and systems prove insufficient, HotCopper's ability to reliably service its Members may be compromised, which in turn may have an adverse impact on HotCopper's reputation, revenue and future financial performance.	Section 6.2.1
Investment in service development and maintenance	HotCopper may not be successful in developing new services, or its existing services may become obsolete and less marketable (including due to technological advances by competitors which HotCopper is unable or not permitted to replicate), which may have an adverse effect on HotCopper's future financial performance.	Section 6.2.2
Regulatory Changes	HotCopper operates under the terms of ASIC's Regulatory Guide 162 (RG 162), which specifically permits an internet discussion site to operate without an Australian financial services licence provided that it complies with the terms of RG 162. Were ASIC to repeal or amend RG 162 and either remove that exemption or introduce new requirements that were more onerous, or even impossible, for HotCopper to comply with in its current format, its business might be adversely affected, or rendered illegal. If HotCopper were to have to operate under an Australian financial services licence then its current business model may have to be altered, having a negative impact.	Section 6.2.3
Litigation	HotCopper's current processes do not permit 'real time' scrutiny and moderation of postings on its website from its Members. It can be, and has been, the case that some postings contain defamatory material or material that may otherwise give rise to legal claims. In instances where this has occurred, HotCopper has moved as quickly as practicable to	Section 6.2.4

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	<p>remove such material. Nonetheless a number of legal actions have been commenced against HotCopper based on information posted on its website. In a majority of instances, legal claims have involved a party seeking access to information in the possession of HotCopper in relation to the person who has posted the material, where the intention is to proceed against the poster of material and not HotCopper. To date, all of these matters have been resolved without any liability or penalty accruing against HotCopper.</p> <p>There have been other instances, occurring less frequently, where HotCopper is the direct target of a legal complaint. To date, these matters have all been resolved without the commencement of formal legal proceedings against HotCopper.</p> <p>There is a risk, however, that if in the future HotCopper is the direct target of a legal action, this may lead to a ruling from a court which may find that HotCopper has liability for material posted on its website. Were this to occur, then HotCopper's exposure to legal liability and potential damages would be significantly increased.</p>	
Competition	<p>Competitors, existing and new, developing superior business models or capabilities could impact HotCopper's competitive position and earnings potential.</p> <p>HotCopper's future financial performance or position could be adversely affected if increased competitive pressures mean that it is unable to retain existing Members or Customers or attract new ones.</p>	Section 6.2.5
Loss of Customers	<p>A loss of a large Customer of HotCopper or a number of Customers would adversely affect HotCopper's prospects, operations, revenue and financial condition.</p>	Section 6.2.6
Staff	<p>HotCopper's ability to compete effectively and expand the businesses is dependent on the ability to continue to attract and retain skilled staff.</p> <p>There is a risk that HotCopper is unable to recruit talented staff in a timeframe that meets the growth objectives of HotCopper. This would adversely impact HotCopper's future revenue and profitability.</p>	Section 6.2.7

ASX and Australian Share Market Conditions	HotCopper's business model is heavily dependent on the number of visitors to the website and number of Members of HotCopper. In the event that the participation rate by individual investors in ASX listed companies or the Australian investment market declines, it may well affect the number of active users of HotCopper site which will have an adverse effect on the business.	Section 6.2.8
Economic Risks	Online advertising spend can be vulnerable to changes in economic conditions. If economic conditions were to weaken, it will likely affect the revenue of HotCopper and subsequently the financial performance of the Company.	Section 6.2.9
Trading and liquidity in Shares and Vendor Ownership	<p>There can be no guarantee that an active market in the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid for their Shares under the Offer.</p> <p>In addition, following Listing, the Vendors will hold approximately 45% of the Shares on issue. All Shares held by the Vendors will be able to be freely traded on ASX subsequent to Listing subject to the terms of the Orderly Market Agreement (see Section 8.2.2) and despite the best endeavours of the Lead Manager to place those Shares to the best advantage of the Company, a significant sale of Shares by the Vendors, or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.</p>	Section 6.2.10

1.6 Directors and Senior Management

Question	Answer	For further information
Who is on the Company Board?	<ul style="list-style-type: none"> • Steve James (Chairman) • Alec Pismiris (Non-executive Director) • Geoffrey Reilly (Executive Director) 	Section 3.1
Who is on the HotCopper senior management team?	<ul style="list-style-type: none"> • Ben Newport (Account Executive) • An executive search has been instigated to identify an appropriately qualified Managing Director for HotCopper as this position will become vacant as off the end of July 2016. That appointment will not be made prior to the Closing Date. 	Section 3.3

1.7 Significant Interests, Key People and Related Party Transactions

Question	Answer	For further information												
Who are the Vendors and what interest are they retaining?	<p>The Vendors are detailed at Section 8.2.1. On Completion of the Offer, the Vendors will hold a total of 49,078,834 Shares, representing 44.6% of the total Shares on issue.</p> <p>All Vendors that take some Shares as part consideration of their sale of Report Card shares will be subject to an Orderly Market Agreement with the Lead Manager in relation to the future disposal of any Shares.</p>	Section 8.2.2												
What interest do the Directors have?	<p>On completion of the Offer the number of Shares and Options held by the Directors (and their related entities) is expected to be as follows:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares¹</th> <th>Options²</th> </tr> </thead> <tbody> <tr> <td>Steve James</td> <td>-</td> <td>2,000,000</td> </tr> <tr> <td>Alec Pismiris</td> <td>-</td> <td>700,000</td> </tr> <tr> <td>Geoffrey Reilly</td> <td>-</td> <td>1,150,000</td> </tr> </tbody> </table> <p><i>Note 1: Excludes any Shares in which Directors may acquire an interest as part of the Offer at the Offer Price.</i> <i>Note 2: See Schedule 2 for terms of issue</i></p> <p>Directors' Share and Option holdings will be notified to the ASX on listing.</p>	Director	Shares ¹	Options ²	Steve James	-	2,000,000	Alec Pismiris	-	700,000	Geoffrey Reilly	-	1,150,000	Section 3.4.1.5
Director	Shares ¹	Options ²												
Steve James	-	2,000,000												
Alec Pismiris	-	700,000												
Geoffrey Reilly	-	1,150,000												
What benefits are payable to Directors and other persons connected with the Offer?	<table border="1"> <thead> <tr> <th>Key Person</th> <th>Benefit</th> </tr> </thead> <tbody> <tr> <td>Steve James</td> <td>Director's fees - \$72,000 per annum</td> </tr> <tr> <td>Alec Pismiris</td> <td>Director's fees - \$36,000 per annum</td> </tr> <tr> <td>Geoffrey Reilly</td> <td>Executive Consulting Fee (incl of Director's fees) - \$96,000 per annum</td> </tr> <tr> <td>Advisers and other service providers</td> <td>See Sections 3.3.2 and 8.6</td> </tr> </tbody> </table>	Key Person	Benefit	Steve James	Director's fees - \$72,000 per annum	Alec Pismiris	Director's fees - \$36,000 per annum	Geoffrey Reilly	Executive Consulting Fee (incl of Director's fees) - \$96,000 per annum	Advisers and other service providers	See Sections 3.3.2 and 8.6	Section 3.4		
Key Person	Benefit													
Steve James	Director's fees - \$72,000 per annum													
Alec Pismiris	Director's fees - \$36,000 per annum													
Geoffrey Reilly	Executive Consulting Fee (incl of Director's fees) - \$96,000 per annum													
Advisers and other service providers	See Sections 3.3.2 and 8.6													
Are the Directors selling Shares into the Offer?	No.													

1.8 Details of the Offer

Question	Answer	For further information
What is the Offer?	<p>The Offer is for 110,000,000 new Shares in the Company comprising:</p> <ul style="list-style-type: none"> • 60,921,166 Shares at \$0.20 per Share to raise \$12,184,233; and • 49,078,834 Shares to be issued to the Vendors as part consideration for the acquisition of Report Card. 	Section 7.1
Will the Shares be listed?	<p>The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of the Shares on ASX under the code 'HOT'.</p> <p>Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by ASIC), the Offer will be withdrawn and all Application Monies received will be refunded without interest in accordance with the requirements of the Corporations Act.</p> <p>The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.</p>	
How will the proceeds of the Offer be used?	<p>The Offer is expected to raise gross proceeds of \$12,184,233.</p> <p>\$10,184,233 of this amount represents an amount that will be paid to the Vendors for part consideration of the acquisition of Report Card, (less the Lead Manager capital raising fee of 5.0%).</p> <p>The balance of \$2,000,000 will be paid to the Company.</p>	Section 7.1.3
What will be the market capitalisation of the Company at the Offer Price?	<p>The total number of Shares on issue on completion of the Offer will be approximately 110.0 million.</p> <p>The indicative market capitalisation of the Company will be approximately \$22.0 million based on the Offer Price of \$0.20 per Share.</p> <p>In addition the Company will have up to 8.5 million Options on issue with an exercise price of \$0.25 per Option.</p>	Section 3.4.1.5 and 3.4.2

<p>How does the Company intend to apply the money raised from the IPO?</p>	<p>The funds raised from the Offer and paid to the Company are intended to be used as follows:</p> <table border="0"> <tr> <td>Product development and website enhancements</td> <td style="text-align: right;">\$1,000,000</td> </tr> <tr> <td>Working capital reserve</td> <td style="text-align: right;">\$683,000</td> </tr> <tr> <td>Offer costs¹</td> <td style="text-align: right;">\$317,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$2,000,000</td> </tr> </table> <p>Note 1: Offer costs include a capital raising fee of 5.0% payable to the Lead Manager. The Company will receive a rebate from the Lead Manager of 2.5% of the amount allocated to Members pursuant to the Company Offer</p>	Product development and website enhancements	\$1,000,000	Working capital reserve	\$683,000	Offer costs ¹	\$317,000	Total	\$2,000,000	<p>Section 7.1.3</p>
Product development and website enhancements	\$1,000,000									
Working capital reserve	\$683,000									
Offer costs ¹	\$317,000									
Total	\$2,000,000									
<p>How is the Offer structured?</p>	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • Lead Manager Offer: open only to Australian resident investors who have received an invitation from the Lead Manager to participate; • Company Offer: open to registered Members of HotCopper and other applicants identified by the Company; and • Report Card Offer: issue of 49,078,834 Shares to the Vendors as part consideration for the acquisition of Report Card. <p>No general offer of Shares will be made under this Prospectus.</p>	<p>Sections 7.1, 7.2 and 7.3</p>								
<p>Will any Shares be subject to escrow?</p>	<p>All Shares issued under the Report Card Offer will be subject to an Orderly Market Agreement whereby the Lead Manager will have an exclusive right to manage any sale for a period of 2 years from Listing.</p> <p>No further escrow terms are expected to be imposed by the ASX given the criteria upon which the Listing has taken place.</p> <p>No escrow will apply to Shares issued under the Lead Manager Offer and Company Offer.</p>	<p>Section 8.2.2</p>								
<p>Who is the Lead Manager to the Offer?</p>	<p>The Company has appointed Somers & Partners as Lead Manager to the Offer.</p> <p>The Lead Manager will receive a capital raising fee of 5.0% of the amount raised under the Lead Manager Offer and the Company Offer.</p> <p>The Company will receive a rebate of 2.5% of the amount raised under the Company Offer.</p> <p>The Lead Manager's fee applicable to the amount raised and payable to Vendors will be paid by those Vendors, out of those funds, and not by the Company.</p>	<p>Section 8.2.3</p>								

Is the Offer underwritten?	The Offer is not underwritten.	Section 8.2.3														
How can I apply?	<p>Applications for Shares under the Company Offer can only be made by completing the Company Application Form.</p> <p>Applications for Shares under the Lead Manager Offer can only be made by directly applying to the Lead Manager to participate in its book build.</p>	Sections 7.2 and 7.3														
What is the minimum application amount under the Offer?	The minimum application amount for the Lead Manager Offer and the Company Offer is \$2,000 (10,000 Shares).	Sections 7.2 and 7.3														
What is the allocation policy?	The Lead Manager will allocate Applications under the Lead Manager Offer and the Board will allocate Applications under the Company Offer based on the level of Applications received and the objective of developing an appropriate shareholder base for the Company.	Section 7.4														
What is the timetable for the Offer?	<p>The indicative timetable for the Offer is as follows:</p> <table border="1"> <thead> <tr> <th>Event</th> <th>Indicative Date</th> </tr> </thead> <tbody> <tr> <td>Date of this Prospectus</td> <td>27 July 2016</td> </tr> <tr> <td>Opening Date of the Offer</td> <td>3 August 2016</td> </tr> <tr> <td>Closing Date of the Offer</td> <td>24 August 2016</td> </tr> <tr> <td>Allotment of Shares</td> <td>31 August 2016</td> </tr> <tr> <td>Expected dispatch of holding statements</td> <td>7 September 2016</td> </tr> <tr> <td>Anticipated date of trading of Shares listed for quotation on ASX</td> <td>8 September 2016</td> </tr> </tbody> </table> <p>Note: These dates are indicative only and may change. The Offer will open on the Opening Date and will remain open until 5.00pm (WST) on the Closing Date subject to the right of the Company to vary the dates and times of the Offer, including, to either close the Offer at an earlier time and date or to extend the closing time and date or accept late applications either generally or in particular cases, without prior notice. Applicants are encouraged to submit their Applications as soon as possible after the Offer opens.</p>	Event	Indicative Date	Date of this Prospectus	27 July 2016	Opening Date of the Offer	3 August 2016	Closing Date of the Offer	24 August 2016	Allotment of Shares	31 August 2016	Expected dispatch of holding statements	7 September 2016	Anticipated date of trading of Shares listed for quotation on ASX	8 September 2016	Section 7.6
Event	Indicative Date															
Date of this Prospectus	27 July 2016															
Opening Date of the Offer	3 August 2016															
Closing Date of the Offer	24 August 2016															
Allotment of Shares	31 August 2016															
Expected dispatch of holding statements	7 September 2016															
Anticipated date of trading of Shares listed for quotation on ASX	8 September 2016															
What are the taxation implications of investing in the Shares?	The taxation implications of investing in Shares will depend on each investor's individual circumstances. Applicants should seek their own tax advice prior to applying for Shares under the Offer.															
Is there any brokerage commission or duty payable?	No brokerage commission or duty is payable by an Applicant for Shares under the Offer.															

1.9 Further Information

Question	Answer	For further information
Where can I obtain more information about this Prospectus or the Offer?	<p>If you have any questions in relation to the Offer, please contact the Lead Manager on +61 (08) 6141 6300, the Share Registry on +61 (08) 9315 2333 or registrar@securitytransfer.com.au between 9.00am and 5.00pm (WST) Monday to Friday.</p> <p>For investment advice, Applicants should contact a financial or other professional adviser.</p>	

2 COMPANY OVERVIEW

2.1 Introduction

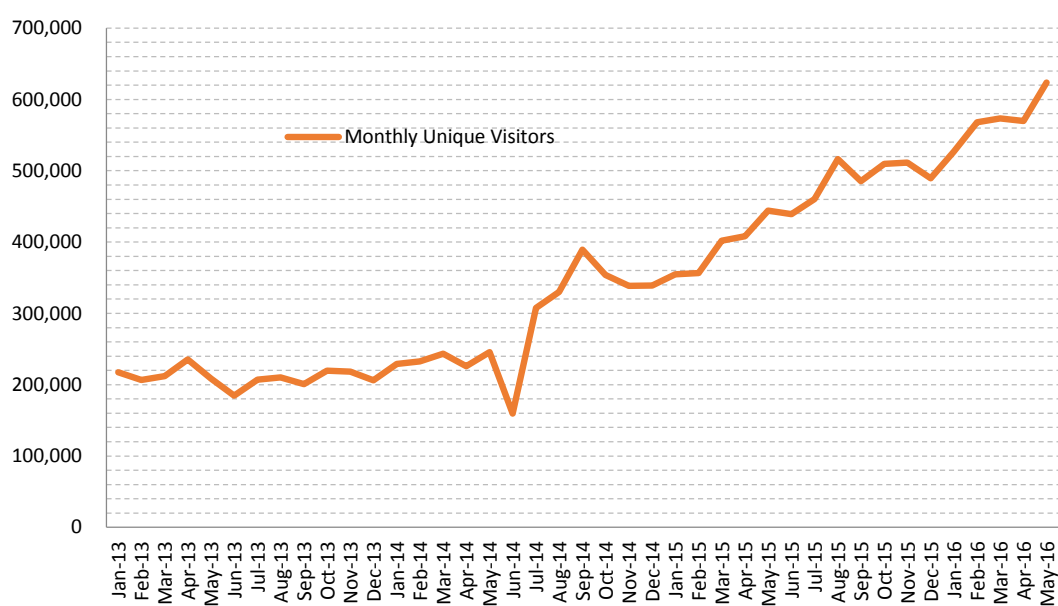
On successful completion of the Offer the Company will own 100% of Report Card.

Report Card owns and operates HotCopper, Australia's leading market internet discussion forum: www.hotcopper.com.au

HotCopper provides Australian share market investors and interested parties with a platform to discuss listed companies and general share market conditions. HotCopper is a source of information for a range of retail, sophisticated and self-managed superannuation fund investors. Australian listed companies also use HotCopper as an investor relations tool and to monitor investor perception.

HotCopper had approximately 235,000 registered Members and approximately 623,806 unique visitors to the website in May 2016. HotCopper has demonstrated strong growth in users since January 2013 as shown in the chart below.

Chart: Unique Monthly Visitors to HotCopper



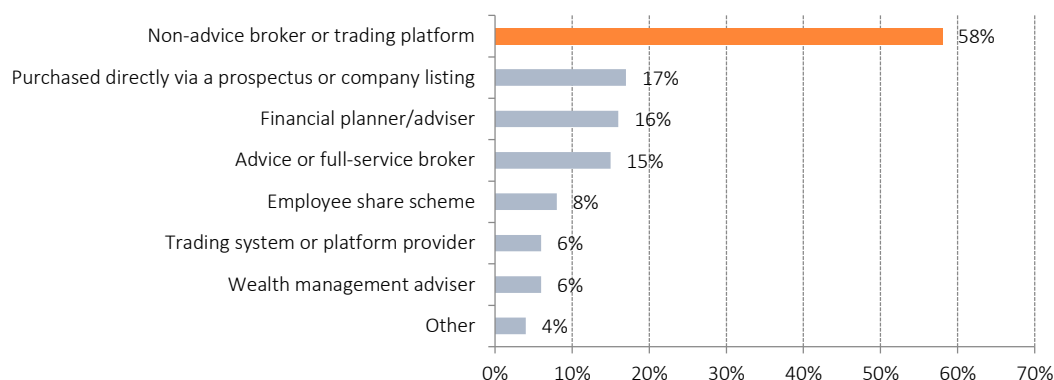
2.2 Industry Overview

The Board believes that HotCopper has a large addressable market in Australia.

ASX statistics indicate that approximately 4.7 million Australian's have a direct investment in the Australian share market and that over 50% of direct share market investors trade through a 'non-advice broker' or trading platform such as CommSec or E*TRADE¹.

¹ Source: "The Australian Share Ownership Study" published by ASX. This information has been included pursuant to ASIC Instrument 2016/72 and consequently *the ASX is not required to, and has not, provided its consent to the inclusion of this information.* <http://www.asx.com.au/documents/resources/australian-share-ownership-study-2014.pdf>

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Chart: How direct sharemarket investors traded¹

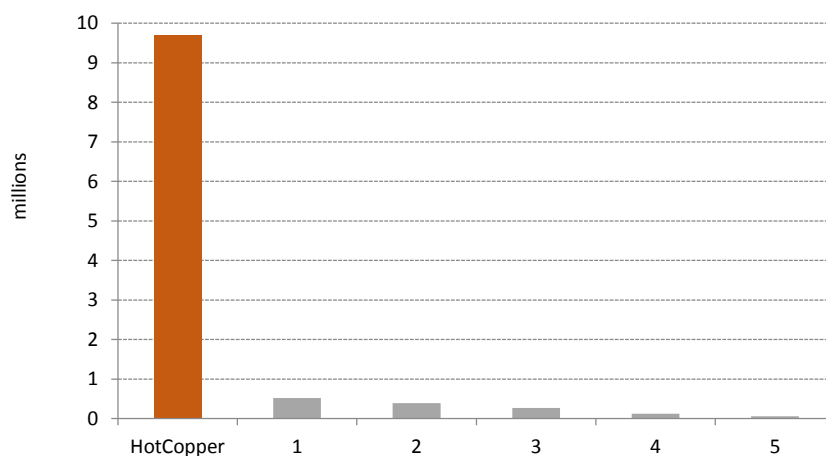
¹ Source: "The Australian Share Ownership Study" published by ASX.

HotCopper is the dominant internet discussion platform for Australian retail investors, particularly those who do not trade with an 'advice broker' and subsequently do not have access to company research or capital raisings. HotCopper can, in some instances, be an important source of information for these investors.

HotCopper's Membership represents only a minor fraction of the Australian retail investor market, representing a substantial potential growth opportunity for the Company.

2.3 Market Position

Comparative, independently sourced information indicates that HotCopper is the most popular Australian stock market internet discussion forum. In January to May 2016, the number of site visits to HotCopper was approximately 18 times greater than its nearest competitor.

Chart: Total Site Visits January-May 2016

"Total Site Visits" is used as meaning the sum of all visits (non-unique) to the analysed domain, app or industry within the chosen time frame and segment. A "visit" refers to a visit that occurred within a 30-minute block of time. For example, if a user enters the same site multiple times within 30 minutes, it will be counted as one visit.

Comparable websites (in alphabetical order): aussiestockforums.com.au, invested.com.au, livewiremarkets.com, sharescene.com, topstocks.com.au

2.4 Business Model

HotCopper derives its revenue through advertising, which is broadly divided into two streams of Customers.

Commercial advertising

Leading brands and service providers use HotCopper for digital advertising, mostly by way of traditional 'banner advertising', motivated by the demographics and size of HotCopper's user base.

The table below compares HotCopper's website traffic to some of Australia's leading financial websites.

Table: Website traffic

Website	Industry	Site Visits (Jan-May 2016)
HotCopper.com.au	Finance	9,715,672
asx.com.au	Finance	14,423,622
commsec.com.au	Finance	15,990,712
etrade.com.au	Finance	4,880,359
carsales.com.au	Retail	37,950,152
flightcentre.com.au	Retail	9,413,590
realestate.com.au	Property	127,609,189
domain.com.au	Property	109,226,666
rent.com.au	Property	4,539,321

Commercial advertising accounted for approximately \$1.05m of revenue in FY2015 (approximately 49%) and is forecast to be approximately \$1.47m in FY2016 (approximately 57%) and \$1.50m in FY2017 (approximately 56%) (refer to Section 4.6.1.3 for further details).

Corporate advertising:

Australian listed companies use HotCopper for investor relations and promotion by way of digital advertising and targeted email campaigns to HotCopper's user base of retail and sophisticated investors and self-managed superannuation funds.

Corporate advertising accounted for approximately \$1.09m of revenue in FY2015 (approximately 51%) and is forecast to be approximately \$1.11m in FY2016 (approximately 43%) and approximately \$1.18m in FY2017 (approximately 44%) (refer to Section 4.6.1.3 for further details).

HotCopper's potential as a distribution platform for company research and capital raisings by Australian listed companies are potential new revenue streams that HotCopper intends to investigate following the Offer. HotCopper's wholly owned subsidiary 708Placements has been issued with an AFSL and is in the advanced stages of establishing a capability to offer, process and settle equity offerings to Sophisticated Investors (see Section 2.5.3).

2.5 Development and Strategy

2.5.1 Overview

HotCopper's growth strategy is focused on two objectives:

- 2.5.1.1 offering enhanced features for HotCopper users and Members to increase website traffic, improve 'user engagement' and enhancing the value of HotCopper's core business; and
- 2.5.1.2 utilising HotCopper's significant Membership base to develop new complementary revenue streams for minimal capital investment.

2.5.2 Website enhancements

HotCopper's proposed website enhancements, leading to improvement of user experience and increased 'user engagement' are as follows:

2.5.2.1 HotCopper mobile application for iPhone and Android

HotCopper is currently developing its iPhone Mobile Application with an anticipated release date of late 2016. Further development of an Android mobile application is targeted for early 2017. Both applications are designed to give the Members enhanced flexibility and use of the current site.

2.5.2.2 Research and Market Data

HotCopper is developing a platform that will seek to provide members with a greater depth of information and market data relating to companies. Not only will this enhance the user experience, it may make HotCopper potentially highly relevant to Australian listed companies as a means of building investor relations and market profile.

2.5.2.3 Premium Subscription

HotCopper is evaluating the potential to offer a premium, paid subscription service. A premium subscription would provide members with enhanced features and limit digital advertising.

2.5.2.4 Overseas markets

HotCopper's website and information technology platform is scalable and can be replicated in overseas markets. HotCopper will evaluate strategic and joint venture opportunities in markets that currently do not have a meaningful comparable service and markets with growing retail investor participation.

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2.5.3 New business

2.5.3.1 708Placements Pty Ltd

HotCopper estimates that it has a great many Members who do, or would, meet the criteria under Section 708 of the Corporations Act to qualify as a Sophisticated Investor. Offers of securities (as that term is broadly defined under the Corporations Act) can be made to Sophisticated Investors without much of the regulatory requirements that accompany retail offers. As such, and given the greater potential investment capacity of Sophisticated Investors, a substantial register of qualified Sophisticated Investors may well be attractive to entities offering investment opportunities.

The 708Placements business model is to build a register of Sophisticated Investors and to use this to facilitate investment opportunities offered by third parties.

The initial revenue model for the business will be based on a commission to be charged for any funds raised via that register. The incentive for Members who meet the criteria to register with HotCopper may be the range of investment opportunities to which they are exposed which might otherwise be unavailable or reserved for clients of other stockbroking firms or investment houses (i.e. 'advice brokers').

708Placements was a company established jointly by Report Card and Complii Fintech Solutions Limited a software development and financial services compliance company.

Report Card has now acquired 100% ownership of 708Placements and remains in negotiations with Complii in respect of a potential licence of its proprietary software to facilitate the efficient and compliant verification and certification of Sophisticated Investors (see Section 2.5.3).

708Placements has been issued with an AFSL and is in the process of defining the process by which it will commence its business, whether via the Complii software package or otherwise.

3 KEY PEOPLE, INTERESTS AND BENEFITS

3.1 Board of Directors

Mr Steve James (Chairman)

Mr James has over 25 years experience covering a wide range of roles in the financial services industry, including foreign exchange and fixed interest trading.

Mr James played a pivotal role in developing the first online stockbroking business for financial planners, which was later sold into Commsec to become the largest adviser broking platform in Australia. Mr James holds a Masters Degree in Financial Services Law, a graduate of the Australian Institute of Company Directors (GAICD), Master Stockbroker qualification from the ASX and a Diploma in Financial Markets from the Australian Financial Markets Association.

Mr James is also a Director of Motorcycling Australia, the governing body of motorcycle sport in Australia, and has sat on several boards during his financial services career.

Mr Alec Pismiris (Non-Executive Director)

Mr Pismiris is a Director, Corporate Finance of Somers & Partners, the Lead Manager, a company which provides corporate advisory services.

Since 1990 Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and an associate of The Governance Institute of Australia.

Mr Pismiris has over 30 years experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Mr Pismiris is currently a director of the following ASX listed companies:

Agrimin Limited, Aguia Resources Limited, Mount Magnet South Limited and Pelican Resources Limited.

Mr Geoffrey Reilly (Executive Director)

Mr Reilly is a Director of the Lead Manager, Somers & Partners Pty Ltd, a company which provides corporate advisory services.

Mr Reilly has over 25 years experience in the finance industry in both Australia and the Asia Pacific region (Singapore, Hong Kong and Beijing PRC). Prior to establishing Somers & Partners (formerly GMP Securities Australia Pty Ltd) in February 2011, Geoff spent six years as Chief Operating Officer for Patersons Securities Limited.

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Prior to Patersons, Mr Reilly was Executive General Manager at IWL Broking Solutions Limited (formerly Sanford Securities Limited) and Head of JDV at Hartley's Limited. Mr Reilly has a Bachelor of Business degree from Edith Cowan University.

3.2 Company Secretary

Ms Susan Hunter (Company Secretary)

Ms Hunter has over 20 years' experience in the corporate finance industry. She is founder and managing director of consulting firm Hunter Corporate Pty Ltd, which specialises in the provision of corporate governance and company secretarial advice to ASX listed companies.

She has previously held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest both in Perth and Sydney. Ms Hunter holds a Bachelor of Commerce, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia Ltd.

3.3 Senior Management

Mr Geoffrey Reilly – Executive Director, Report Card

The Board has instigated an appropriate recruitment campaign to identify and secure the most appropriate candidate to manage HotCopper and address its development opportunities.

In the interim, Mr Reilly has been engaged on an executive basis to undertake this role. Please see his details above.

Mr Ben Newport – Account Executive, Report Card

Mr Newport has a Bachelor of Science in Information Systems Development and over 10 years' experience in the IT industry. Mr Newport also has many years' Sales and Marketing experience in the telecommunications and IT sectors.

3.4 Interests and Benefits

This Section 3.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- director or proposed director of the Company;
- 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;
- promoter of the Company; or
- the Lead Manager to the Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

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holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before the lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

3.4.1 Directors' interests and remuneration

3.4.1.1 Executive Director

Mr Reilly is employed in the position of Executive Director of Report Card as discussed above.

Mr Reilly's remuneration package is set at \$96,000.00 per annum, inclusive of his role as a Director. He is engaged as a contractor only so there are no other entitlements or benefits except for the reimbursement of legitimate expenses and allowance for unpaid annual leave to be taken. His engagement commenced on 1 December 2015 pursuant to a Support Services Agreement which has now been superseded by an Executive Services Agreement with a term of 12 months from 27 May 2016 with the option for this to be extended by agreement between the parties.

The key terms of his engagement are set out in greater detail in Section 8.2.4.

3.4.1.2 Chairman and Non-executive Director remuneration

Under the Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director. However, under the Listing Rules, the total amount paid to all non-executive Directors for their services must not exceed in aggregate in any financial year the amount fixed at the Company's general meeting. This amount has been fixed by the Company at \$400,000 per annum. Annual Directors' fees currently agreed to be paid by the Company are \$72,000 to the Chairman and \$36,000 to the other non-executive Director. Superannuation payments (if applicable) are not included in these amounts.

In addition, Mr James has been paid the sum of \$11,000 for services provided prior to his official appointment as Chairman.

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3.4.1.3 Deeds of access, insurance and indemnity for Directors

The Company has entered into deeds of access, insurance and indemnity with each Director which confirm each Director's right of access to certain books and records of HotCopper for a period of seven years after the Director ceases to hold office. This seven-year period may be extended where certain proceedings or Investigations commence before that seven-year period expires.

Pursuant to the Constitution, the Company may indemnify Directors and employees, past and present, against liabilities allowed under law. Under the deeds of access, insurance and indemnity, the Company indemnifies each Director against all liabilities to another person that may arise from their position as a director of the Company or its subsidiaries to the extent permitted by law. The deed stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

3.4.1.4 Other information and interests

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Company's affairs. Non-executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as director of the Company or a subsidiary. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

3.4.1.5 Directors' shareholdings

Directors are not required under the Constitution to hold any Shares. On Completion of the Offer, the number of Shares and Options held by Directors is expected to be as outlined in the table below. The terms of the Options are set out in Schedule 2.

	Shares ¹	Options
Steve James	Nil	2,000,000
Alec Pismiris	Nil	700,000
Geoff Reilly	Nil	1,150,000

¹ Excludes any Shares which Directors may acquire an interest as part of the Offer at the Offer Price.

3.4.2 Employee & Associate/Consultant option issue

In addition to the Options to be issued to the current Board members set out above, the Company will also grant Options as set out in the table below, contemporaneous with successful Completion of the Offer. The terms of the Options are set out in Schedule 2.

Somers & Partners (Lead Manager)*	2,000,000
Greg D'Arcy***	350,000
Advisors, associates and consultants	(up to) 1,550,000
Ben Newport**	250,000
Executives and Staff **	300,000
Sean Mulcahy**	150,000
Susan Hunter (Company Secretary)**	50,000
TOTAL	4,650,000

* Exercise subject to performance milestone upon share price maintaining 32c over 5 consecutive trading days

** Exercise subject to performance milestone of 12 months satisfactory employment or consultancy services

*** To be issued in satisfaction of all obligations under current employment contract as Managing Director of Report Card which will terminate on 31 July 2016

3.5 Corporate Governance

The Company has adopted systems of control and accountability in order to implement and maintain a culture of good corporate governance both internally and in its external dealings. To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (**Recommendations**). The Company does not consider that it is appropriate at this time to adopt all the Recommendations given the current size and the scale of its operations. As the Company's operations develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. Copies of the Company's corporate governance policies are available on the Company's website at www.hotcopper.com.au.

3.5.1 Board of Directors and Composition of the Board

The Board is responsible for corporate governance of the Company and for protecting the rights and interests of Shareholders. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The Board's responsibilities include:

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- 3.5.1.1 developing initiatives for asset growth and profit;
- 3.5.1.2 reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- 3.5.1.3 acting on behalf of, and being accountable to, the Shareholders; and
- 3.5.1.4 identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

3.5.2 **Composition of the Board**

The Board comprises 3 Directors. The names, qualification and relevant experience of each Director are set out in Section 3.1. There is no requirement for any Director's shareholding qualification. As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities. Given its size, the Board has made the decision not to separately constitute any committees, but rather to manage all matters among the full Board, though it has also adopted and will operate under specific relevant charters which would govern separate committees, if they are ever constituted.

3.5.3 **Identification and management of risk**

The Board will identify and manage risk including compliance with risk management policies.

3.5.4 **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

3.5.5 **Remuneration arrangements**

Details regarding the remuneration of the Directors are set out in Section 3.4.1. The Board is responsible for reviewing and negotiating the compensation arrangements of Directors and senior executives and reviewing and recommending remuneration strategies and policies.

3.5.6 **Securities trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company and other entities with which the Company has dealings by its key management personnel and employees. The policy prohibits any dealing in securities if a person possesses inside information and otherwise generally prohibits dealing during certain closed periods. A process is outlined for prior written clearance to trade for key management personnel generally and for all employees during a closed period.

3.5.7 **Financial reporting**

The Board will monitor and review any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

3.5.8 **Compliance and departures from ASX recommendations**

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations. The Company's compliance and departures from those Recommendations as at the date of this Prospectus are set out in the Schedule 1.

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4 FINANCIAL INFORMATION

4.1 Introduction

The Company was incorporated on 7 April 2016 with \$1 in issued capital. The Company has agreed to acquire Report Card which operates the HotCopper business, a stock market internet discussion forum, and will thereby become the holding company of Report Card.

The financial information contained in this section has been prepared by the Company in connection with the Offer. The financial information for the Company includes:

- The historical financial information for Report Card comprising:
 - the historical statements of comprehensive income for Report Card for the financial years ended 30 June 2013, 2014 and 2015 and the six-months ended 31 December 2015 (“**Historical Statements of Comprehensive Income**”);
 - the historical statements of cash flows for Report Card for the financial years ended 30 June 2013, 2014 and 2015 and the six-months ended 31 December 2015 (“**Historical Statements of Cash Flows**”); and
 - the historical balance sheet for Report Card as at 31 December 2015 (“**Historical Balance Sheet**”),

(together, the “**Historical Financial Information**”).

- The pro forma historical balance sheet for the Company as at 31 December 2015 (“**Pro Forma Historical Balance Sheet**”).
- The forecast statements of comprehensive income for Report Card for the year ending 30 June 2016 and for the Company for the year ending 30 June 2017 (“**Forecast Financial Information**”).

The Historical Financial Information, Pro Forma Historical Balance Sheet and Forecast Financial Information together form the “**Financial Information**”.

The Financial Information presented in this Prospectus has been reviewed by Ernst & Young Transaction Advisory Services Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 5. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Financial Information presented in this Section 4 should be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus. Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in this Section are presented in Australian dollars.

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Also summarised in this Section 4 are:

- The basis of preparation and presentation of the Financial Information (Section 4.2);
- A summary of the key non-IFRS measures (Section 4.3.2);
- Management discussion and analysis of the Historical Financial Information (Section 4.5);
- Management discussion and analysis of the Forecast Financial Information (Section 4.6); and
- A summary of the Company's proposed dividend policy (Section 4.7).

4.2 Basis of preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Report Card together with the Forecast Financial Information for Report Card and the Company.

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

4.2.1 Preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles, prescribed in Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board ("AASB"), which is consistent with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB").

In preparing the Historical Financial Information, the accounting policies of Report Card have been applied consistently throughout the periods presented. The adoption of new accounting standards (including AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interest in Other Entities and AASB 13 Fair Value Measurement) during the financial years ended 30 June 2013 ("FY13"), 30 June 2014 ("FY14") and 30 June 2015 ("FY15") and the six months ended 31 December 2015 ("1HFY16") did not result in a change in Report Card's accounting policies and did not impact its financial position or performance. Significant accounting policies of Report Card and the Company relevant to the Financial Information are detailed in Schedule 3 of this Prospectus.

The Historical Financial Information has been derived from the special purpose financial statements of Report Card for FY13, FY14 and FY15 and the condensed general purpose interim financial statements of Report Card for 1HFY16.

The special purpose financial statements of Report Card for FY13, FY14 and FY15 have been audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements.

The condensed general purpose interim financial statements of Report Card for 1HFY16 have been reviewed by Ernst & Young and on which an unqualified limited assurance conclusion was issued.

The Historical Financial Statements of Report Card referred to in Section 4.1 above have been lodged with ASIC and are incorporated by reference in this Prospectus. Refer to Section 8.5 for details.

4.2.2 Preparation of Pro Forma Historical Balance Sheet

The acquisition of Report Card by the Company (the “Group Reorganisation”) is not considered to be a business combination and does not result in any change of economic substance. Accordingly, following the Group Reorganisation, the consolidated financial statements of the Company will represent a continuation of the business and operations of Report Card.

The Pro Forma Historical Balance Sheet for the Company has been prepared solely for inclusion in this Prospectus and has been derived from the Historical Balance Sheet for Report Card as at 31 December 2015, adjusted for the effects of the pro forma transactions described below.

The Pro Forma Historical Balance Sheet for the Company has been prepared based on the reviewed historical balance sheet for Report Card at 31 December 2015, which has been derived from the reviewed condensed general purpose interim financial statements for 1HFY16. The Pro Forma Historical Balance Sheet for the Company has been prepared in accordance with the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the listing of the Company on ASX as if they occurred as at 31 December 2015. Details of these transactions that have been applied to the Historical Balance Sheet are as follows:

- (i) Recording of a distribution payable of \$10,184,233 to the original shareholders of Report Card arising from the Group Reorganisation and the insertion of the Company as the new parent company. The distribution represents the “cash” component of the consideration payable by the Company to acquire the business of Report Card. The equity component of the consideration payable by the Company amounts to 49,078,834 Shares in the Company;
- (ii) The issue of 60,921,166 shares in the Company in accordance with the Offer to raise gross proceeds of \$12,184,233 for settlement of the distribution payable (as discussed at point (i) above) and product development, working capital and costs of the Offer (refer to Section 7.1);
- (iii) The payment of costs associated with the Offer and the listing of the shares issued by Company as part of the Group Reorganisation estimated to be \$555,510. Of the

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total, \$236,199 has been deducted from equity as these costs are directly attributable to the Offer. The balance of \$319,311 has been expensed;

- (iv) Share based payment expense (non-cash) of \$1,120,600. \$145,435 has been deducted from equity as this relates to the cost associated with the Offer. The balance of \$975,165 has been expensed; and
- (v) Tax effect of the above transactions resulting in a net deferred tax asset of \$95,497. Of the total movement in deferred tax of \$133,089, \$70,859 has been credited to equity as it relates to items recognised directly in equity and \$62,230 has been credited to profit or loss.

Investors should note that past results do not guarantee future performance.

Due to its nature, and as a result of only recognising certain transactions contemplated to occur as part of the listing of the Company on ASX as out above, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

4.2.3 Preparation of Forecast Financial Information

The Forecast Financial Information for Report Card and the Company has been prepared in accordance with the recognition and measurement principles prescribed in AAS as issued by the AASB, which is consistent with IFRS and interpretations issued by the IASB.

The Forecast Financial Information for Report Card and the Company has been prepared by the Directors, having regard to an assessment of current economic and operating conditions, and based on a number of best-estimate general and specific assumptions regarding future events and actions as set out in Sections 4.6.1.1 and 4.6.1.2. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information represents the best estimate of the financial performance that the Directors expect to report in the Report Card's financial statements for the years ending 30 June 2016 ("FY16") and the Company's consolidated financial statements for the year ended 30 June 2017 ("FY17"). The Directors have not factored in any revenue from the new business initiatives discussed at section 2.5.3 as there are no reasonable grounds to do so based on the current status of these initiatives. The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and considers the Directors' best estimate assumptions in Sections 4.6.1.1 and 4.6.1.2, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a materially positive or negative effect on the Company's actual financial performance or financial position. Accordingly, neither the Company, its Directors,

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HotCopper's management nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The Forecast Financial Information for FY16 consists of reviewed results of Report Card for the six months to 31 December 2015 and the Directors' best estimate forecasts for the six months to 30 June 2016, having regard to the actual results to 31 May 2016 based on unaudited management accounts of Report Card. The Forecast Financial Information of the Company for FY17 consists of the Directors' best estimate forecasts for the Company for the 12 months to 30 June 2017. The Directors have not factored in any revenue from the new business initiatives discussed at section 2.5.3 as there are no reasonable grounds to do so based on the current status of these initiatives.

Investors are advised to review the Forecast Financial Information in conjunction with the general and specific assumptions set out in Sections 4.6.1.1 and 4.6.1.2, the risk factors section out in Section 6 and other information in this Prospectus.

The Directors have no intention to update or revise the Forecast Financial Information following the issue of this Prospectus, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

4.3 Historical and forecast results

4.3.1 Historical Statements of Comprehensive Income and Forecast Financial Information

The table below sets out the Historical Statements of Comprehensive Income of Report Card for FY13, FY14, FY15 and 1H FY16, and the Forecast Financial Information for Report Card for FY16 and for the Company for FY17.

Table 4.3.1	Historical				Forecast	
	FY13 \$	FY14 \$	FY15 \$	1H FY16 \$	FY16 \$	FY17 \$
Sales revenue	1,416,745	1,283,419	2,147,685	1,180,128	2,578,380	2,688,708
Other income	192,984	136,937	13,875	160,930	297,977	70,521
Employee benefits expense	(431,419)	(356,538)	(588,484)	(313,521)	(671,955)	(863,738)
Commissions paid	(139,165)	(99,097)	(137,080)	(75,404)	(176,291)	(203,021)
Depreciation and amortisation	(7,598)	(16,350)	(56,052)	(27,921)	(60,742)	(69,848)
Share of loss of an associate	-	-	-	(6,847)	(6,847)	-
Other expenses ¹	(577,544)	(544,847)	(565,154)	(413,683)	(1,079,896)	(1,067,283)
Option expense	-	-	-	-	-	(975,165)
Profit/(loss) before tax	454,003	403,524	814,790	503,682	880,626	(419,825)
Income tax expense	(203,031)	(164,574)	(221,612)	(152,831)	(353,452)	(190,042)
Profit/(loss) for the period	250,972	238,950	593,178	350,851	527,174	(609,867)
Unrealised gain on available for sale financial assets	-	-	-	6,800	-	-
Comprehensive income (loss)	250,972	238,950	593,178	357,651	527,174	(609,867)

Notes:

1. Other expenses include costs of listing (1H FY16: \$22,724, FY16: \$161,156, FY17: \$158,155)

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4.3.2 Non-IFRS Financial Measures

The Company and Report Card use certain measures to manage and report on its business that are not recognised under the AAS. These measures are collectively referred to as non-IFRS financial measures under Regulatory Guide 230 “Disclosing non-IFRS financial information” published by ASIC. The principal non-IFRS financial measures used in this Prospectus are as follows:

EBITDA is earnings before interest, taxation, depreciation and amortisation.

EBITDA margin is calculated by dividing EBITDA by sales revenue.

Adjusted EBITDA is EBITDA excluding Offer Costs and options expense.

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by sales revenue.

Although the Directors believe that these measures provide useful information about Report Card’s and the Company’s financial performance, they should be considered as supplements to the statements of comprehensive income that have been presented in accordance with the AAS and not a replacement for them. Because these non-IFRS financial measures are not based on AAS, they do not have standard definitions, and the way Report Card and the Company calculate these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

Table 4.3.2	Historical				Forecast	
	FY13 \$	FY14 \$	FY15 \$	1H FY16 \$	FY16 \$	FY17 \$
EBITDA²	456,054	414,760	862,093	523,309	930,318	(344,764)
Offer Costs	-	-	-	22,724	161,156	158,155
Options expense	-	-	-	-	-	975,165
EBITDA (Adjusted)³	456,054	414,760	862,093	546,033	1,091,474	788,556
EBITDA (Adjusted) margin⁴	32.2%	32.3%	40.1%	46.3%	42.3%	29.3%

Notes:

2. Earnings before interest, tax, depreciation and amortisation
3. Adjusted EBITDA, excluding Offer costs and option expenses
4. EBITDA (Adjusted) divided by sales revenue

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4.3.3 Historical Statements of Cash Flows

The table below sets out the Historical Statements of Cash Flows of Report Card for FY13, FY14, FY15 and 1H FY16.

Table 4.3.3	Historical			
	FY13 \$	FY14 \$	FY15 \$	1H FY16 \$
Cash flows from operating activities				
Receipts from customers	1,544,444	1,187,070	2,258,864	1,193,163
Payment to suppliers and employees	(1,208,447)	(943,323)	(1,131,448)	(880,597)
Interest received	5,547	5,114	8,749	8,524
Income tax paid	(161,367)	(27,565)	(74,225)	(21,552)
Net cash provided by / (used in) operating activities	180,177	221,296	1,061,940	299,538
Cash flows from investing activities				
Repayment of loan received from related entity	(3,641)	(6,489)	-	-
Purchase of available for sale financial assets	-	(486)	-	(102,000)
Purchase of investment in associate	-	-	(40,000)	-
Purchase of plant and equipment	(5,848)	(368,039)	(152,284)	(41,316)
Proceeds from sale of available for sale financial assets	-	-	-	131
Net cash provided by / (used in) investing activities	(9,489)	(375,014)	(192,284)	(143,185)
Cash flows from financing activities				
Dividends paid	(352,569)	-	-	(570,500)
Proceeds from issue of shares	-	279,545	-	-
Payment for share bought back	-	-	(279,545)	-
IPO associated costs	-	-	-	(27,169)
Net cash provided by / (used in) financing activities	(352,569)	279,545	(279,545)	(597,669)
Net increase / (decrease) in cash and cash equivalents	(181,881)	125,827	590,111	(441,316)
Cash and cash equivalents at the beginning of the period	377,244	195,363	321,190	911,301
Cash and cash equivalents at the end of the period	195,363	321,190	911,301	469,985

4.4 Historical and Pro Forma Historical Balance Sheet

The table below sets out the Historical Balance Sheet of Report Card as at 31 December 2015 and the Pro Forma Historical Balance Sheet for the Company as at 31 December 2015.

Table 4.4.1		Historical \$	Pro Forma Adjustments \$	Pro Forma Historical Balance Sheet \$
Notes				
	1	469,985	1,494,384	1,964,369
Cash and cash equivalents				
	2	376,368	(27,170)	349,198
Trade and other receivables				
		846,353	1,467,214	2,313,567
Current assets				
		108,800	-	108,800
Available for sale financial assets				
		33,153	-	33,153
Investments in an associate				
		20,360	-	20,360
Property, plant & equipment				
		449,085	-	449,085
Intangibles				
		7,989	-	7,989
Other receivables				
	3	-	95,497	95,497
Deferred tax asset				
		619,387	95,497	714,884
Non-current assets				
		1,465,740	1,562,711	3,028,451
TOTAL ASSETS				
		94,266	-	94,266
Trade and other payables				
		140,270	-	140,270
Provisions				
		139,638	-	139,638
Current tax liability				
		374,174	-	374,174
Current liabilities				
	3	37,592	(37,592)	-
Deferred tax liabilities				
		736	-	736
Provisions				
		38,328	(37,592)	736
Non-current liabilities				
		412,502	(37,592)	374,910
TOTAL LIABILITIES				
		1,053,238	1,600,303	2,653,541
NET ASSETS				
	4	370,650	11,873,449	12,244,099
Issued & paid up capital				
	5	-	(10,184,223)	(10,184,223)
Distribution reserve				
	6	-	1,120,600	1,120,600
Share based payments reserve				
		6,800	-	6,800
Available for sale reserve				
	7	675,788	(1,209,523)	(533,735)
Retained earnings/(accumulated losses)				
		1,053,238	1,600,303	2,653,541
TOTAL EQUITY				

Notes in relation to the Historical Balance Sheet and Pro Forma Historical Balance Sheet:

Note 1: Cash and cash equivalents

Table 4.4.2	\$
Historical Cash and cash equivalents at 31 December 2015	469,985
Issue of Shares in the Company under the Offer (60,921,166 Shares at \$0.20 per Share)	12,184,223
Payment of distribution of \$10,184,223 to shareholders of Report Card as part of the Group Reorganisation	(10,184,223)
Costs of the Offer	(505,616)
Pro Forma Historical Cash and cash equivalents at 31 December 2015	1,964,369

Note 2: Trade and other receivables

Table 4.4.3	\$
Historical Trade and other receivables at 31 December 2015	376,368
Costs of the Offer	(27,170)
Pro Forma Historical Trade and other receivables at 31 December 2015	349,198

Note 3: Deferred tax asset

Table 4.4.4	\$
Historical Deferred tax liability at 31 December 2015	(37,592)
Credited to income tax expense in the profit or loss	62,230
Credited to equity	70,859
Pro Forma Historical Deferred tax asset at 31 December 2015	95,497

Note 4: Issued and paid up capital

Table 4.4.5	Number	\$
Historical issued and paid up capital at 31 December 2015	-	370,650
On incorporation of the Company	1	1
Issue of Shares in the Company under the Offer (60,921,166 Shares at \$0.20 per Share)	60,921,166	12,184,223
Issue of Shares in the Company to shareholders of Report Card as part consideration for Group Reorganisation.	49,078,834	-
Costs of the Offer	-	(236,199)
Issue of Options	-	(145,435)
Tax benefit	-	70,859
Pro Forma Historical Issued and paid up capital at 31 December 2015	110,000,001	12,244,099

Note 5: Distribution reserve

Table 4.4.6	\$
Historical Distribution reserve at 31 December 2015	-
Cash payable to the shareholders of Report Card in relation to the Group Reorganisation	(10,184,223)
Pro Forma Historical Distribution reserve at 31 December 2015	(10,184,223)

Note 6: Share based payment reserve

Table 4.4.7	\$
Historical Share based payment reserve at 31 December 2015	-
Fair value of share options granted	1,120,600
Pro Forma Historical Share based payment reserve at 31 December 2015	1,120,600

The fair value of 8,500,000 options to be granted has been determined using the Black-Scholes option pricing model and the Monte Carlo Simulation model (as appropriate) by applying the following inputs:

- Grant date share price: 20 cents
- Exercise price: 25 cents
- Share price volatility: 100%
- Risk free rate: 2.05%

Share price volatility for comparable companies has been used as the basis for determining the expected share price volatility.

Note 7: Retained earnings/(accumulated losses)

Table 4.4.6	\$
Historical Retained earnings at 31 December 2015	675,788
Cost of the Offer (expensed)	(296,587)
Issue of Options	(975,165)
Tax-effect of Pro Forma entries	62,229
Pro Forma Historical Accumulated losses at 31 December 2015	(533,735)

4.5 Discussion and analysis of the Historical Financial Information**4.5.1 General factors affecting the operating results**

Below is a discussion of the main factors which affected Report Card's operating and financial performance in the historical financial periods.

The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected the Report Card's historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future. The information in this Section should also be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

4.5.2 Sales Revenue

HotCopper derives revenue from selling advertising space on its website (advertising revenue) as well as through promotional emails sent on behalf of clients to its member base (corporate or EDM revenue). These activities are generally correlated to HotCopper's website traffic.

Advertising revenue is derived through sales of advertising products such as text links, banner advertising, splash pages and content push-downs and is a function of the number of page impressions and CPM (price). Advertising revenue is derived through agents (agent advertising) as well as internally by HotCopper's Sales & Account Executive (direct advertising).

Advertising products sold through agents are predominantly remnant/programmatic (non-premium) in nature and are purchased by advertisers who target general industry sites and not HotCopper's website specifically. These products are sold via an online auction/bidding process called DFP ("**Double-click For Publishers**").

Direct advertising products sold are largely premium products purchased by customers with the specific intent to advertise on HotCopper's website i.e. targeted advertising.

Corporate advertising ("**EDM**") revenue is derived through emails sent on behalf of HotCopper's clients to its member base. A number of EDM packages are available and are generally customised based on the number of emails sent to HotCopper members in that EDM campaign. EDM revenue is a function of the number of emails received by members in a marketing campaign and the price charged per email.

4.5.3 Expenses

HotCopper's key expense categories and the key expense items within each category are set out below:

- **Employee benefits expense**
 - Wages and salaries (including on-costs) for management, sales and technical staff;
 - Non-executive Directors' fees;
 - CEO bonuses; and
 - Leave provisions.
- **Commissions paid**
 - Internal (staff) and external (agent) commissions on sales revenue.
- **Depreciation and amortisation**
 - Depreciation of IT infrastructure; and
 - Amortisation of website and capitalised product development costs.
- **Other expenses**
 - Data feeds: purchase of stock market related data for display on HotCopper;
 - Consultants' fees relating to consultant programmers;

- IT and web hosting costs: server management, site monitoring, website maintenance and software, predominantly on a contract basis;
- Marketing consultant fees; and
- Other operating costs: occupancy, legal, accounting, insurance and audit costs.

4.5.4 Historical Results

The table below sets out the selected historical results and selected non-IFRS measures for FY13, FY14, FY15 and 1H FY16.

Table 4.5.3 Historical Results				
	FY13	FY14	FY15	1H FY16
	\$	\$	\$	\$
Sales revenue	1,416,745	1,283,419	2,147,685	1,180,128
Profit before tax	454,003	403,524	814,790	503,682
Net profit after tax	250,972	238,950	593,179	350,851
EBITDA	456,054	414,760	862,093	523,309
EBITDA margin %	32.2%	32.3%	40.1%	44.3%
NPAT margin %	17.7%	18.6%	27.6%	29.7%

4.5.4.1 Revenue

- Sales revenue decreased by 9.4% in FY14 but increased 67.3% in FY15, attributable to greater website visitors and page impressions. Between FY14 and FY15, average monthly unique visitors to HotCopper's website, a key driver of page impressions and advertising revenue, increased by 71% (FY14 average: 216,524 per month, FY15 average: 371,910 per month).
- Average monthly unique visitors in 1H FY16 increased 33% compared with FY15 (1H FY16 average: 495,400 per month).
- The number of email subscribers, a key driver of corporate or EDM advertising increased from an average of 110,038 in FY15 to 130,559 in 1H FY16.
- Growth in unique visitors, website traffic and email subscribers is generally indicative of HotCopper's increasing popularity as a discussion forum and source of independent research for Australian investors.

4.5.4.2 Expenses

- Employee benefits increased by 65.1% to \$588k in FY15 due to higher performance-linked bonuses paid to the CEO as a result of growth in profitability, combined with an increase in overall wages as a result of changes in staffing mix.

- Commissions paid increased by 38.3% to \$137k in FY15 which was reflective of the higher sales revenue in this period. Total commissions as a % of sales revenue decreased slightly from 7.7% in FY14 to 6.4% in FY15 and 1H FY16 due to the introduction of external agent commissions from FY15 which are generally at a lower rate than internal commissions (paid to staff).
- Depreciation and amortisation increased from \$16k in FY14 to \$56k in FY15 as a result of Report Card's investment in website and product development costs resulting in higher amortisation charges.
- Other expenses in 1H FY16 (\$413k) were comparatively higher than FY15 largely due to consultants' fees of \$46k related to general website improvements being expensed in 1H FY16 (these fees were capitalised in FY15 as they related to specific website development projects).

4.5.4.3 Profitability

- Adjusted EBITDA margin remained steady in FY13 and FY14 at 32.2% and 32.3% respectively. EBITDA margin increased to 40.1% in FY15 due to the 67.3% increase in sales revenue, partially offset by the increase in employee benefits expense discussed above.
- Adjusted EBITDA margin increased to 46.3% in 1HFY16 principally driven by a 17.4% increase in sales revenue combined with a \$150k research & development rebate, partially offset by slightly higher other expenses as discussed above.
- The effective income tax rate was 45% in FY13, 41% in FY14, 27% in FY15 and 30% in 1H FY16.

4.6 Directors' best-estimate assumptions and discussion and analysis of the Forecast Financial Information

4.6.1 Directors' best-estimate assumptions underlying forecasts

4.6.1.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted by the Directors:

- No material change in the competitive operating environment in which HotCopper operates;
- No significant deviation from current market expectations of global or local Australian economic conditions relevant to HotCopper;
- No material changes in accounting standards, tax legislation, regulatory legislation, regulatory requirements or government policy in jurisdictions in which HotCopper or its key customers operate that would have a material

impact on the financial performance, cashflows, financial position, accounting policies, financial reporting or disclosure;

- No material business acquisitions, disposals, restructuring or investments;
- No material changes to the industry in which HotCopper operates that would have a material impact on the demand for or the price of HotCopper's services;
- No change in HotCopper's capital structure other than as set out in, or contemplated by, the Prospectus;
- No material amendment to any material agreement or arrangement relating to HotCopper's business;
- No material financial performance or financial position impact in relation to litigation;
- None of the risks listed in Section 6 have a material adverse impact on the operations of HotCopper; and
- The Offer proceeds are received in accordance with the timetable set out in the Key Dates section of this Prospectus.

4.6.1.2 **Specific assumptions affecting the Forecast Financial Information**

The Forecast Financial Information is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, the Company has analysed historical performance and applied assumptions, where appropriate across the business. The assumptions set out below should be read in conjunction with the risk factors set out in Section 6 and other information in this Prospectus.

4.6.1.3 **Revenue**

As detailed in Section 4.5, HotCopper derives revenue from selling advertising space on its websites (advertising revenue) as well as through promotional emails sent on behalf of clients to its member base (corporate or EDM revenue). These activities are generally correlated to HotCopper's website traffic.

Advertising revenue is derived through agents as well as internally by HotCopper's Sales & Account Executive.

To determine revenue forecasts for the remainder of FY16 and FY17, the Directors have considered historical revenue trends and operational key performance indicators, specifically:

- Agent advertising: historical number of page impressions and Cost Per Mile (CPM); and
- Corporate advertising (EDM): historical number of emails and price per email.

HotCopper's key revenue streams (agent advertising and corporate advertising) have demonstrated significant monthly volatility in FY14 and FY15. The drivers of volatility for Advertising revenue is due to the timing of when customers wish to

advertise, the type of advertisement they wish to use (e.g. text links, banners and splash pages) and the number of page impressions that are made by HotCopper's member base. Corporate advertising revenue is driven by the timing of marketing campaigns by HotCopper's clients and the number of emails sent out to its member base.

As a result of this historical volatility, the Directors have based forecast revenue for FY16 and FY17 on the following key assumptions:

Table 4.6.1.3		
Revenue item	Assumption	Description
Agent advertising	Number of page impressions (volume)	Average monthly number of impressions for the year to date period to 31 May 2016 plus a 5% annual growth factor
	CPM (price per 1000 impressions)	Constant CPM (price) equal to the average CPM for the year to date period to 31 May 2016
Corporate advertising (EDM)	Number of emails (volume)	Average monthly number of emails for the year to date period to 31 May 2016 plus a 2% annual growth factor
	Price per email	Constant price per email equal to the average price for the year to date period to 31 May 2016
Direct advertising	Revenue	Average direct advertising revenue for the year to date period to 31 May 2016 plus a 2% annual growth factor

The growth rate assumptions are based on the Directors' expectations of growth in member numbers and unique website visitors during the forecast period, which have historically been highly correlated with the number of page impressions and email recipients. The following factors have been considered by the Directors in forming this view:

- HotCopper has recorded strong growth in website visitors, with monthly unique visitors increasing from an average of approximately 210,000 per month in 2013 to an average of approximately 530,000 per month in YTD May 16A.
- The number of email subscribers has grown every month since July 2014, increasing from approximately 101,000 to 153,147 subscribers in May 2016;
- HotCopper's membership and email subscriber base (and associated revenue) has grown organically throughout the historical periods as Australian investor preferences transition from traditional investment advice brokers to online broking platforms and research; and
- Continued growth in the number of members, visitors and email subscribers is expected to continue to enhance the value of HotCopper's platform to commercial advertisers as well as to ASX-listed companies as an investor relations tool and distribution network.

(a) **Agent advertising**

Agent advertising relates to online advertising revenue generated through third party agents such as Publifit.

This revenue is derived through sales of advertising products such as text links, banner advertising, splash pages and content push-downs and is a function of the number of page impressions and CPM (price). The advertising products sold through agents such as Publifit are predominantly remnant/programmatic (non-premium) in nature and are purchased by advertisers who target general industry sites and not HotCopper's website specifically. These products are sold via an online auction/bidding process called DFP ("**Double-click For Publishers**").

Under the assumptions set out above, agent advertising revenue is forecast to grow by 36.0% from \$934k in FY15 to \$1.27m in FY16, largely driven by an increase in the number of impressions from 730m in FY15 to 1,736m in FY16 (increase of 138.0%), partly offset by a decline in average CPM from \$1.34 in FY15 to \$0.74 in FY16 (decrease of 45.0%).

Agent advertising revenue is forecast to grow by 2.5% to \$1.30m in FY17, largely driven by an increase in the number of impressions to 1,807m (increase of 4.1%) and a small decline in average CPM to \$0.72 (decrease of 2.1%).

The Directors consider the assumptions underpinning agent advertising revenue are reasonable given:

- The average monthly number of impressions over the eleven month historical period to 30 May 2016 (144k) is largely in line with HotCopper's forecast assumption regarding the average number of impressions for FY16 (145k);
- The growth in agent advertising revenue between FY15 and FY16 is 36.0%, while the forecast increase in agent revenue for FY17 (from FY16) based on the assumptions is 2.5%;
- The number of registered members of HotCopper's website have increased every month from 186k in July 2014 to 236k in May 2016 and monthly unique visitors have increased every month from 307k in July 2014 to 623k in May 2016;
- The forecast does not assume any increase in CPM (price) over the average price realised during the year-to-date period ended 31 May 2016. As HotCopper develops an enhanced profile with users and advertisers it is possible that CPM rates could increase;
- The Directors have not factored in any revenue from the new business initiatives discussed at section 2.5.3 as there are no reasonable grounds to do so based on the current status of these initiatives; and
- Historical revenue growth has been achieved by HotCopper without any significant business development or website enhancements.

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(b) Corporate Advertising (EDM)

Corporate advertising (EDM) revenue is derived through emails sent on behalf of HotCopper's clients to its member base. EDM revenue is a function of the number of emails received by members in a marketing campaign and the price charged per email.

Corporate advertising revenue for FY16 (\$1.11m) is forecast to be slightly higher than FY15 (\$1.09m). Corporate advertising revenue is forecast to grow by 6.7% to \$1.18m in FY17, driven by an increase in the number of emails to 8.8m (increase of 1.8%) with price per email forecast to remain largely consistent with FY16.

The Directors consider the assumptions underpinning corporate advertising revenue are reasonable given:

- The number of email subscribers has increased from an average of 110k in FY15 to an average of 138k in YTD May 16A, resulting in a larger number of email recipients per corporate marketing campaign;
- The forecast does not assume any increase in price per email over the average price realised for the year-to-date period ended 31 May 2016;
- The Directors have not factored in any revenue from the new business initiatives discussed at section 2.5.3 as there are no reasonable grounds to do so based on the current status of these initiatives; and
- Historical revenue growth has been achieved by HotCopper without any significant business development or website enhancements.

(c) Direct Advertising

Direct advertising relates to online advertising generated directly by HotCopper (primarily through HotCopper's Sales and Account Executive). Advertising products sold are largely premium products purchased by customers with the specific intent to advertise on HotCopper's website i.e. targeted advertising.

Direct advertising revenue is partly a function of website impressions and CPM (i.e. price), however also includes revenue from items not related to impressions and CPM such as ASX sponsorship revenue.

As this revenue stream is not solely underpinned by any specific operational KPI and has been volatile historically (based on individual advertising campaigns and prices negotiated with clients), the Directors have applied the growth assumption to direct advertising revenue in dollar terms rather than a specific KPI (such as number of impressions). Internal advertising revenue represents a relatively small portion of HotCopper's total sales revenue totalling 5.8% in FY15 and 7.7% in FY16F.

Direct advertising revenue is forecast to grow by 61.9% from \$124k in FY15 to \$200k in FY16, and is forecast to grow by 1.8% to \$204k in FY17. The Directors consider the assumptions underpinning direct advertising revenue are reasonable given:

- Internal advertising revenue has been increasing in recent months and totalled \$27.4k, \$43.8k, \$26.0k and \$22.0k in February 2016, March 2016, April 2016 and May 2016 respectively, compared to a monthly average of \$9.2k per month for the seven months ended 31 January 2016; and
- Post-IPO, HotCopper will undertake enhanced business development activity and proposed website enhancements and new services are expected to make HotCopper more attractive to advertisers. Any associated revenues of these initiatives have not been reflected in the forecast.

Set out below is a summary of revenue by source for FY15, FY16 and FY17:

Table 4.6.1.3 (c)	FY15	FY16	% Change	FY17	% Change
Agent advertising	933,573	1,269,698	36.0%	1,301,743	2.5%
Corporate advertising	1,090,433	1,108,429	1.7%	1,183,035	6.7%
Direct advertising	123,679	200,253	61.9%	203,922	1.8%
TOTAL	2,147,685	2,578,380	20.1%	2,688,700	4.3%

(d) **Other revenue drivers**

The Directors have not forecast any revenue from new business opportunities. While the Directors are optimistic with respect to future potential revenue opportunities, such as 708 Placements (as discussed at Section 2.5.3), these business models are at a preliminary stage and not capable of being forecast at this stage.

4.6.1.4 **Expenses**

HotCopper's cost base is almost entirely fixed in nature, with the only significant variable cost being commissions payable to third party agents and HotCopper's Sales & Account Executive. This cost base structure allows HotCopper to have a large degree of operating leverage.

HotCopper's most significant expense items in the Forecast Period relate to wages and salaries, Directors' fees, commissions, options expenses, IT & hosting, stock market data & price feeds and consultants' fees, together constituting 77.1% of total expenses in FY17. Forecast expense assumptions have been based on a detailed analysis of historical expense trends and run-rates, plus an allowance for increased costs as a result of being a publicly listed company.

The Directors have assumed the following key assumptions in relation to each of HotCopper's major categories of operating expenses.

(a) **Wages and salaries**

Wages and salaries are inclusive of on-costs and relate to the following key positions:

- Executive Director;
- Account Executive; and
- Software Developers.

(b) **Non-executive Directors' fees**

Directors' fees are inclusive of on-costs and relate to the following board positions:

- Non-executive Chairman
- Two non-executive Directors

(c) **Commissions paid**

Commissions are HotCopper's only variable cost. The forecast assumes a commission expense rate of 5% of gross sales on agent advertising and a rate of 10% of gross sales on direct and corporate advertising.

(d) **Options expense**

A share-based payment expense (relating to options to be issued) has been included in the forecast. Refer to section 3 and section 4.4 for further details.

(e) **Offer costs**

Offer costs include one-off costs associated with the Offer including lead manager fees, accounting & legal fees and ASX listing fees.

(f) **IT and hosting costs**

IT and hosting expenses include:

- Hosting & servers;
- Site monitoring;
- IT maintenance / support; and
- Software costs.

(g) **Data feeds**

Expenses relating to price and market information feeds.

(h) **Consultants' fees**

Consultants' fees payable to HotCopper's two consultant programmers.

(i) **Other expenses**

Other expenses include occupancy costs, legal & accounting fees, administration costs, telecommunication costs, insurance and promotional costs.

The operating expenses also include costs associated with being a public listed company including, annual ASX fees, investor relations and company secretarial and registry fees.

4.6.1.5 Other assumptions

HotCopper earns a proportion of its revenue from US-based customers denominated in USD. HotCopper also has a number of foreign suppliers that are paid in either USD or NZD. The Directors have assumed a USD/AUD exchange rate of 0.73 and NZD/AUD exchange rate of 1.12 over the Forecast Period.

For the 6 months ended 31 December 2015, 33.4% of HotCopper's revenue and 19.4% of its operating expenses (excluding commissions and employment expenses) were denominated in USD (1.1% of expenses were denominated in NZD).

Gains and losses from foreign exchange have been immaterial during the Historical Period. The forecast does take into account the impact of any foreign exchange gains and losses however the Directors are in the process of establishing multicurrency payment facilities to manage HotCopper's exposure to foreign exchange movements.

4.6.2 Forecast Results: FY15 compared to FY16 and FY17

The table below sets out certain key financial metrics for FY15, FY16 and FY17.

TABLE 4.6.2	HISTORICAL RESULTS		FORECAST RESULTS		
	FY15	FY16	Change %	FY17	Change %
Sales revenue	2,147,685	2,578,380	20.1%	2,688,708	4.3%
Other income	13,875	297,977	n/m	70,521	(76.3%)
Expenses	(1,346,770)	(1,995,731)	48.2%	(3,179,054)	59.3%
Profit before tax	814,790	880,626	8.0%	(419,825)	n/m
NPAT	593,548	527,174	(11.2%)	(609,867)	n/m
EBITDA	862,093	930,318	7.9%	(344,764)	(137.1%)
Offer Costs		161,156		158,155	
Options expense				975,165	
EBITDA (ADJUSTED)	862,093	1,091,474	26.6%	788,556	(27.8%)
<i>Adjusted EBITDA margin %</i>	<i>40.1%</i>	<i>42.3%</i>	<i>5.5%</i>	<i>29.3%</i>	<i>(30.7%)</i>
<i>NPAT margin %</i>	<i>27.6%</i>	<i>20.4%</i>	<i>(26.0%)</i>	<i>(22.7%)</i>	<i>(210.9%)</i>

4.6.2.1 Revenue

Sales revenue assumptions are described in Section 4.6.1.3.

Based on these assumptions sales revenue is forecast to increase by 20.1% in FY16 and 4.3% in FY17.

Other income includes Research and Development grants (FY16: \$210k, FY17: \$60k), net gain on sale of available-for-sale investments (FY16: \$75k, FY17: \$0) and interest income (FY16: \$11k, FY17: \$11k).

4.6.2.2 Expenses

Assumptions underlying forecast expenses are set out in Section 4.6.1.4.

Based on each these assumptions, total expenses are forecast to increase by 48.2% in FY16 and 59.3% in FY17.

(a) **Wages and salaries**

- Wages and salaries (including CEO bonus and on-costs) are forecast to decrease from \$588k in FY15 to \$576k in FY16 (2.1%) largely due to a lower forecast CEO bonus payable in FY16 (CEO bonus is determined by company profit before tax). Wages and salaries (excluding CEO bonus) are forecast to increase by 34.4% to \$565k in FY17, due to increases in forecast employee salaries. No changes to employee headcount are forecast during the Forecast Period.

(b) **Non-executive Directors' fees**

- Non-executive Directors' fees (including on-costs) are forecast to be \$25k per month.

(c) **Commissions**

- Commissions paid are forecast to increase by 28.6% to \$176k in FY16 (compared to sales revenue growth of 20.1%) and by 15.2% to \$203k in FY17 (compared to sales revenue growth of 4.3%). Commissions are forecast to increase more than sales revenue growth due to the implied commission rates in FY15 (2.7% for agent advertising and 9.3% for direct and corporate advertising) being lower than the forecast commission rates of 5% and 10% respectively.

(d) **Options expense**

- The options expense is forecast to total \$975k in FY17 (see Section 2 for details).

(e) **Depreciation and amortisation**

- Depreciation and amortisation expenses will increase by 8.4% and 15.0% in FY16 and FY17 respectively, as a result of additional development of the platform and resulting amortisation.

(f) **Offer costs**

- Listing costs relate to one off costs associated with listing the Company, as detailed in paragraph 4.2.2, which include lead manager fees, accounting & legal fees and ASX listing fees.

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(g) Other expenses

- Other operating expenses (excluding those set out separately above) are forecast to increase by 63.9% to \$926k in FY16, primarily due to increases in:
 - o consultants' fees of \$138k relating to general website improvements (consultants' fees were capitalised in FY15 as they related to specific website development projects);
 - o hosting & servers of \$43k (due to requirement for back-up server for part of the year);
 - o ASX/NSX data pricing costs of \$43k.
- Other operating expenses (excluding those set out separately above) are forecast to remain relatively consistent in FY17 (\$909k) compared to FY16 (\$926k).

4.6.2.3 EBITDA

Adjusted EBITDA margin is forecast to decrease to 29.3% in FY17 compared to 42.3% in FY16. The key reason for the decrease is due to the 59.3% increase in total expenses, driven by higher salaries and wages, directors' fees, consultants' fees previously capitalised and the costs associated with being a listed company.

4.6.3 Sensitivity Analysis

The Forecast Financial Information is based on the assumptions described in Sections 4.6.1 and 4.6.2. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of HotCopper, the Directors and management.

Set out below is a summary of key sensitivities to forecast EBITDA and Adjusted EBITDA for FY16 and FY17 to changes in a number of key revenue assumptions. No sensitivity analysis has been conducted on HotCopper's expenses due to the largely fixed nature of its cost base. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may eventuate. Variations in actual performance could exceed the ranges shown, and thus, we advise this sensitivity analysis to be reviewed in conjunction with the risks detailed in Section 7.

The sensitivity analysis has been undertaken by adjusting the volume assumptions for agent advertising (number of impressions) and corporate advertising (number of emails), representing HotCopper's two primary revenue drivers. The sensitivities do not take into account the financial impact of changes to HotCopper's forecast price assumptions.

The sensitivities set out below have been applied to the base assumptions outlined in Section 4.6.1.3.

Table 4.6.3		FY16				FY17			
Revenue item	Sensitivity assumption	EBITDA impact \$	EBITDA impact %	Adjusted EBITDA impact \$	Adjusted EBITDA impact %	EBITDA impact \$	EBITDA impact %	Adjusted EBITDA impact \$	Adjusted EBITDA impact %
Agent advertising	+/-5%	4,907	0.5%	4,907	0.4%	58,888	17.0%	58,888	7.5%
Corporate advertising	+/-2%	1,740	0.2%	1,740	0.2%	20,877	6.0%	20,877	2.7%

Care should be taken in interpreting the above sensitivities. The estimated impact of changes in each of these assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact. In reality the effects of movements may be offset or compounded by movements in other variables. Furthermore, in the normal course of business, Management would be expected to respond to any adverse change in these key variables to minimise the net effect on financial performance.

4.7 Dividend Policy

Report Card has previously paid dividends (FY13: \$352,569, 1HFY16: \$570,500). Neither Report Card nor the Company intend to pay a final dividend for FY2016. Further, neither Report Card nor the Company presently intend to pay any dividends in FY2017 as surplus profits will be reinvested in the business in order to maximise growth.

The payment of dividends by the Company, if any, subject to the law, is at the complete discretion of the Directors, and the Directors do not provide any assurance of the future level of dividends. The ability to pay dividends will depend on a number of factors, many of which are beyond the control of the Company. In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition and capital requirements. No assurances can be given about payment of any dividend or the level of franking on any such dividend.

5 INDEPENDENT LIMITED ASSURANCE REPORT

Independent Limited Assurance Report



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Independent Limited Assurance Report

The Board of Directors
HotCopper Holdings Limited
Level 3,
40 St Georges Terrace,
Perth WA 6000

27 July 2016

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION, PRO FORMA HISTORICAL BALANCE SHEET AND FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Report Card Pty Ltd (“Report Card”) to report on the historical financial information of Report Card, a subsidiary of HotCopper Holdings Limited (the “Company”), pro forma historical balance sheet of the Company and forecast financial information of Report Card and the Company for inclusion in the prospectus (“Prospectus”) to be dated on or about 27 July 2016, and to be issued by the Company, for the issue of 110,000,000 fully-paid ordinary shares at \$0.20 per share in respect of its initial public offering and listing on the Australian Securities Exchange (“the Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services”) holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Irshaad Songerwala is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information of Report Card:

- ▶ the historical statements of comprehensive income for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and the six-months ended 31 December 2015 as set out in Table 4.3.1 of Section 4.3.1 of the Prospectus;

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- ▶ the historical statements of cash flows for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and the six-months ended 31 December 2015 as set out in Table 4.3.3 of Section 4.3.3 of the Prospectus; and
- ▶ the historical balance sheet as at 31 December 2015 as set out in Table 4.4.1 of Section 4.4 of the Prospectus.

(Hereafter "the Historical Financial Information")

The Historical Financial Information for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 has been derived from the special purpose financial statements of Report Card for the respective years, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements. The Historical Financial Information as at and for the six-months ended 31 December 2015 has been derived from the condensed general purpose interim financial statements of Report Card, which was reviewed by Ernst & Young and on which an unqualified limited assurance conclusion was issued.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles prescribed in Australian Accounting Standards ("AAS"), as issued by the Australian Accounting Standards Board ("AASB"), which is consistent with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB").

Pro Forma Historical Balance Sheet

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of the Company:

- ▶ the pro forma historical balance sheet as at 31 December 2015 as set out in Table 4.4.1 of Section 4.4 of the Prospectus.

(Hereafter the "Pro Forma Historical Balance Sheet").

The Pro Forma Historical Balance Sheet has been derived from the historical balance sheet of Report Card as at 31 December 2015, and adjusted for the effects of pro forma adjustments described in Section 4.2.2 of the Prospectus.

The Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions contemplated to occur as part of the listing of the Company on ASX as if they occurred as at 31 December 2015.

Due to its nature, the Pro Forma Historical Balance Sheet does not represent the Company's actual or prospective financial position.

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Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following Forecast Financial Information:

- ▶ the forecast statements of comprehensive income of Report Card for the year ending 30 June 2016 and of the Company for the year ending 30 June 2017 as set out in Table 4.3.1 of Section 4.3.1 of the Prospectus.

(Hereafter “the Forecast Financial Information”).

(the Historical Financial Information, the Pro Forma Historical Balance Sheet and the Forecast Financial Information is collectively referred to as the “Financial Information”).

The directors’ best-estimate assumptions underlying the Forecast Financial Information are described in Section 4.6.1 of the Prospectus.

The stated basis of preparation used in the preparation of the Forecast Financial Information is in accordance with the recognition and measurement principles prescribed in AAS, as issued by the AASB, which is consistent with IFRS and interpretations issued by the IASB.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors’ Responsibility

Historical Financial Information and Pro Forma Historical Balance Sheet

The directors of the Company are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Balance Sheet, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Balance Sheet. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Balance Sheet that are free from material misstatement, whether due to fraud or error.

Forecast Financial Information

The directors of the Company are responsible for the preparation and presentation of the Forecast Financial Information for the years ending 30 June 2016 and 30 June 2017, including the basis of preparation and the best-estimate assumptions underlying the Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Forecast Financial Information that is free from material misstatement, whether due to fraud or error.



4. Our Responsibility

Historical Financial Information and Pro Forma Historical Balance Sheet

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Balance Sheet based on the procedures performed and the evidence we have obtained.

Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Forecast Financial Information, the best-estimate assumptions underlying the Forecast Financial Information, and the reasonableness of the Forecast Financial Information, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ the historical statements of comprehensive income of Report Card for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and the six-months ended 31 December 2015 as set out in Table 4.3.1 of Section 4.3.1 of the Prospectus;
- ▶ the historical statements of cash flows of Report Card for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and the six-months ended 31 December 2015 as set out in Table 4.3.3 of Section 4.3.3 of the Prospectus; and
- ▶ the historical balance sheet of Report Card as at 31 December 2015 as set out in Table 4.4.1 of Section 4.4 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.1 of the Prospectus.

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Pro Forma Historical Balance Sheet

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Balance Sheet comprising:

- ▶ the pro forma historical balance sheet of the Company as at 31 December 2015 as set out in Table 4.4.1 of Section 4.4 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.2 of the Prospectus.

Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- ▶ the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information of Report Card and the Company for the years ending 30 June 2016 and 30 June 2017 respectively do not provide reasonable grounds for the Forecast Financial Information; and
- ▶ in all material respects, the Forecast Financial Information:
 - is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.6.1 of the Prospectus;
 - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4.2.3 of the Prospectus; and
- ▶ the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by management of the Company and adopted by the directors of the Company in order to provide prospective investors with a guide to the potential financial performance of Report Card and the Company for the years ending 30 June 2016 and 30 June 2017 respectively. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Report Card and the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

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Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Sections 6 and 4.6.3 respectively of the Prospectus. The sensitivity analysis described in Section 4.6.3 of the Prospectus demonstrates the impact on certain non-IFRS forecast financial measures of changes in key best-estimate assumptions. We express no opinion as to whether the forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited

A handwritten signature in black ink, appearing to read 'Irshaad Songerwala', written over a horizontal line.

Irshaad Songerwala

Director and Representative

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7

27 July 2016

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT
LIMITED ASSURANCE REPORT**

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report (“Report”) in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

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5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$11,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.



<p>Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000</p> <p>Telephone: (02) 9248 5555</p>	<p>Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08</p>
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

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6 RISKS

6.1 Introduction

This Section 6 describes some of the potential risks associated with HotCopper's business and the industry in which it operates, and the risks associated with an investment in Shares. It does not purport to list every risk that may be associated with HotCopper's business or the industry in which it operates, or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this Section which are partially or completely beyond the control of the Company, the Directors and Company management.

The selection of risks included in this Section 6 has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider if Shares are a suitable investment for you, having regard to your own investment objectives, financial situation and particular needs (including financial and tax issues). If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

6.2 Risks Specific to an Investment in the Company

6.2.1 Disruptions to information technology infrastructure

If HotCopper's information technology network is compromised for any reason or HotCopper's redundancy infrastructure and systems prove insufficient, HotCopper's ability to reliably service its Members and Customers may be compromised, which in turn may have an adverse impact on HotCopper's reputation, revenue and future financial performance.

6.2.2 Investment in service development and maintenance

HotCopper may not be successful in developing new services, or its existing services may become obsolete and less marketable (including due to technological advances by competitors which HotCopper is unable or not permitted to replicate), which may have an adverse effect on HotCopper's future financial performance.

6.2.3 Regulatory changes

Presently, HotCopper's business operates under the terms of ASIC's Regulatory Guide 162 (**RG 162**), which specifically permits an internet discussion site to operate without an Australian financial services licence provided that it complies with the terms of RG 162. Were ASIC to repeal or amend RG 162 and either remove that exemption or introduce new requirements that were more onerous, or even

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impossible, for HotCopper to comply with in its current format, its business might be adversely affected, or rendered illegal. If HotCopper were to have to operate under an Australian financial services licence then its current business model may have to be altered which may have a negative impact on HotCopper's future financial performance.

6.2.4 **Litigation**

HotCopper's current processes do not permit the active 'real time' scrutiny and moderation of postings on its website from its Members. It can be, and has been, the case that some postings contain defamatory material or material that may otherwise give rise to legal claims. In instances where this has occurred, HotCopper has moved as quickly as practicable to correct and remove such material.

Nonetheless a number of legal actions have been commenced against HotCopper based on information posed on its website. In a majority of instances, legal claims have involved a party seeking access to information in the possession of HotCopper in relation to the person who has posted the material, where the intention is to proceed against the poster of material and not HotCopper. To date, all of these matters have been resolved without any liability or penalty accruing against the Company.

There are other instances, occurring less frequently, where HotCopper is the direct target of a legal complaint. To date, these matters have all been resolved without the commencement of formal legal proceedings against HotCopper. There is a risk, however, that if in the future HotCopper is the direct target of legal action, this could lead to a ruling from a court which may find that HotCopper has liability for material posted on its website, though this is contrary to advice that the Company has received. Were this to occur, then HotCopper's exposure to legal liability and potential damages would be significantly increased.

6.2.5 **Competition**

Competitors, existing and new, developing superior business models or capabilities could impact HotCopper's competitive position and earnings potential.

HotCopper's future financial performance or position could be adversely affected if increased competitive pressures mean that it is unable to retain existing Members or attract new ones.

6.2.6 **Loss of customers**

A loss of a large Customer of HotCopper or a number of Customers would adversely affect HotCopper's prospects, operations, revenue and financial condition.

6.2.7 **Staff**

HotCopper's ability to compete effectively and expand the businesses is dependent on the ability to continue to attract and retain skilled staff.

There is a risk that HotCopper is unable to recruit talented staff in a timeframe that meets the growth objectives of HotCopper. This would adversely impact HotCopper's future revenue and profitability.

6.2.8 **ASX and Australian share market conditions**

HotCopper's business model is heavily dependent on the number of visitors to the website and number of Members of HotCopper. In the event that the participation rate by individual investors in ASX listed companies or the Australian investment market declines, it may well affect the number of active users of HotCopper site which will have an adverse effect on the business.

6.2.9 **Economic risks**

Online advertising spend can be vulnerable to changes in economic conditions. If economic conditions were to weaken, it will likely affect the revenue of HotCopper and subsequently the financial performance of the Company.

6.2.10 **Trading and liquidity in Shares and Vendor ownership**

There can be no guarantee that an active market in the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid for their Shares under the Offer.

In addition, following Listing, the Vendors will hold approximately 45% of the Shares on issue. All Shares held by the Vendors will be able to be freely traded on ASX subsequent to Listing subject to the terms of the Orderly Market Agreement (see Section 8.2.2) and despite the best endeavours of the Lead Manager to place those Shares to the best advantage of the Company, a significant sale of Shares by the Vendors, or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.

6.3 **General Risks to an Investment in the Company**

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

6.3.1 **General economic climate**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and share price may be affected by these factors, which are beyond the Company's control.

6.3.2 **Changes in legislation and government regulation**

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

6.3.3 **Global credit and investment market**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance.

6.3.4 **Exchange rate risk**

The Company currently only operates in Australia but a portion of its advertising revenue is denominated in both United States dollars and NZD, hence if the relative value of the Australian dollar changes in relation to the United States dollar or the NZD then this will impact its performance and position, since the Company's financial statements are prepared in Australian dollars.

Additionally the Company may expand into other countries and analogous risks may consequently arise in relation to other foreign currencies.

6.3.5 **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

6.3.6 **Share market conditions**

The market price of the Company's shares may be subject to varied and unpredictable influences on the market for equities.

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7 DETAILS OF THE OFFER

7.1 The Offer

This Prospectus relates to the Offer by the Company of 110,000,000 new Shares comprising:

- 60,921,166 Shares at \$0.20 per Share to raise \$12,184,233: and
- 49,078,834 Shares at \$0.20 per Share to be issued to the Vendors as part consideration for the acquisition of 100% of Report Card.

On Completion of the Offer 49,078,834 Shares will be held by some of the Vendors representing 44.6% of the total Shares on issue, all of which will be subject to the terms of an Orderly Market Agreement, described in Section 8.2.2. The total number of Shares on issue at Completion of the Offer will be approximately 110 million. All Shares will rank equally with each other.

7.1.1 Structure of the Offer

The Offer comprises:

- 7.1.1.1 the Lead Manager Offer, which is open only to Australian resident investors, who have received an invitation from the Lead Manager to participate;
- 7.1.1.2 the Company Offer, which is open to HotCopper Members current as at the Closing Date: and
- 7.1.1.3 the Report Card Offer, being the issue of 49,078,834 Shares to the Vendors as part consideration for the acquisition of Report Card.

No general public offer of Shares will be made under this Prospectus. Applicants meeting the criteria set out in Sections 7.2 and 7.3 and wishing to apply for Shares under the Offer must do so through the Lead Manager or the Company. The allocation of Shares between the Lead Manager Offer and the Company Offer will be determined by the Company and the Lead Manager.

The Offer is not underwritten.

7.1.2 Purpose of the Offer

The Offer is expected to raise gross proceeds of approximately \$12.18 million. This amount will be applied as illustrated in the table in Section 7.1.3.

The Company is conducting the Offer to:

- acquire Report Card;
- enable the Shares to be listed on the ASX;
- fund enhancements to the HotCopper website, new product development and Offer costs;

- provide greater access to capital markets for strategic growth initiatives and acquisition opportunities if they arise;
- enhance HotCopper's business profile as a result of being listed on the ASX; and
- assist HotCopper in attracting and retaining quality staff through equity-linked performance incentives.

The Offer also allows the Vendors to realise part of their investment in HotCopper by funding the cash component of the consideration for the purchase of all of Report Card shares by the Company under the Share Sale Agreement.

7.1.3 Application of funds

The Offer is expected to raise gross proceeds of \$12,184,233.

\$10,184,233 of this amount will be paid to the Vendors for part consideration of the acquisition of Report Card. This amount (less the Lead Manager capital raising fee of 5.0%) will be paid to the relevant Vendors in accordance with the table in Section 8.2.1.

The balance of \$2,000,000 represents proceeds from the issue of Shares by the Company and will be paid to the Company to be applied as follows.

Product development and website enhancements	\$1,000,000
Working capital reserve	\$683,000
Offer costs	\$317,000
Total	\$2,000,000

The estimated costs of the Offer to be paid from the Offer proceeds are summarised as follows:

Lead Manager's fees ¹	\$100,000
Accounting fees	\$120,000
Legal fees	\$20,000
ASX listing fee	\$77,000
Total	\$317,000

Note 1: Offer costs include a capital raising fee of 5.0% payable to the Lead Manager. The Company will receive a rebate of 2.5% of the amount allocated to HotCopper Members under the Company Offer.

All other costs associated with the Offer have been paid by Report Card at the time they were incurred.

7.1.4 Pro forma balance sheet

The Company's pro forma balance sheet following Completion of the Offer, including details of pro forma adjustments, is set out in Section 4.

7.1.5 Capital structure

Details of the ownership of Shares 'pre' and 'post' Completion of the Offer are set out in the table below.

	Pre-Offer Shares in Report Card	Pre-Offer Shares in Report Card (%)	Post-Offer Shares in the Company (million)	Post-Offer Shares in the Company (%)
David Argyle	1,037	45.44%	34.854 ¹	31.7%
Other Vendors	1,245	54.56%	14.2	12.9
New Shareholders via Offer Shares	N/A	N/A	60.9	55.4%
Total	2,282	100.0%	110.0	100.0%

Note 1: Shares subject to the Orderly Market Agreement, see Section 8.2.2.

In addition the Company will grant up to 8.5 million Options with an exercise price of \$0.25 per Option. For details of the proposed Option holders refer to Section 3.4.2 and for the terms attaching to those Options are set out in Schedule 2.

7.1.6 Potential effect of the fundraising on the future of HotCopper

The Directors believe that on Completion of the Offer, HotCopper will have sufficient funds available to fulfil the purposes of the Offer and to meet its stated business objectives.

7.1.7 Restrictions or obligations on Vendors' Shares following Completion of the Offer

The Vendors have all entered into Orderly Market Agreements, as a condition of the Sale Agreement, which will come into effect upon Completion of the Offer. For details of the operation of the Orderly Market Agreements please refer to Section 8.2.2.

7.2 Lead Manager Offer

7.2.1 Who can apply?

The Lead Manager Offer is open only to Australian resident investors who have an existing client/broker relationship with the Lead Manager as at the Closing Date.

7.2.2 How to apply?

Applications for Shares may only be made on the Application Form accompanying this Prospectus or in any other form approved by the Lead Manager.

The minimum Application under the Lead Manager Offer is \$2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Lead Manager Offer, however, the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications in the Lead Manager Offer.

7.2.3 **How to pay?**

Applicants under the Lead Manager Offer must pay their Application Monies to the Lead Manager or to the Company if directed by the Lead Manager.

7.2.4 **Application Monies**

The Lead Manager reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Lead Manager Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable to the Company.

7.3 **Company Offer**

7.3.1 **Who can apply?**

The Company Offer is open only to Australian resident investors who are registered Members of HotCopper as at the Closing Date.

7.3.2 **How to apply?**

Applications for Shares may only be made on the Application Form accompanying this Prospectus the Application Form may be downloaded in its entirety from <http://investors.hotcopper.com.au/investor-centre/prospectus/> If you are an investor applying under the Company Offer, you should complete and lodge your Application Form with the Company.

The minimum Application under the Company Offer is for \$2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Company Offer, however the Company reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person or reject or scale back any Applications (aggregated or otherwise) in the Company Offer.

7.3.3 **How to pay?**

Applicants under the Company Offer must pay their Application Monies to the Company.

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7.3.4 **Application Monies**

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Company Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable to the Company.

7.4 **Discretion Regarding The Offer**

The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants.

If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Lead Manager also reserve the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than the amount applied for.

7.5 **ASX Listing, Registers and Holding Statements**

7.5.1 **Application to ASX for listing and quotation of Shares**

The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of the Shares on ASX under the code 'HOT'.

Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after the application is made (or any longer period permitted by ASIC), the Offer will be withdrawn and all Application Monies received will be refunded without interest in accordance with the requirements of the Corporations Act.

The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of HotCopper or the Shares offered for subscription.

7.5.2 **CHESS and issuer sponsored holdings**

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (CHESS) and will comply with the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

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When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.6 Indicative Timetable

The indicative timetable for the Offer is as follows:

Event	Indicative Date
Date of this Prospectus	27 July 2016
Opening Date of the Offer	3 August 2016
Closing Date of the Offer	24 August 2016
Allotment of Shares	31 August 2016
Expected dispatch of holding statements	7 September 2016
Anticipated date of trading of Shares listed for quotation on ASX	8 September 2016

Note: These dates are indicative only and may change. The Offer will open on the Opening Date and will remain open until 5.00pm (WST) on the Closing Date subject to the right of the Company to vary the dates and times of the Offer, including, to either close the Offer at an earlier time and date or to extend the closing time and date or accept late applications either generally or in particular cases, without prior notice.

Applicants are encouraged to submit their Applications as soon as possible after the Offer opens.

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7.7 Enquiries

All enquiries in relation to this Prospectus should be directed to the Lead Manager on +61 (08) 6141 6300 or the Share Registry on +61 (08) 9315 2333 or registrar@securitytransfer.com.au between 9.00am to 5.00pm Perth Time, Monday to Friday (Business Days only).

If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

8 ADDITIONAL INFORMATION

8.1 Registration

The Company was incorporated in Western Australia on 7 April 2016 as a public company limited by shares. At the Prospectus Date, the Company had not traded and had one Share on issue held by Report Card.

8.2 Material Contracts

8.2.1 Sale Agreement

Under the Sale Agreement, each of the Vendors have agreed to sell all of its Report Card shares to the Company, free from any encumbrances, for an aggregate consideration of \$20 million.

The consideration for the Report Card shares will be paid partly in cash (\$10,184,233) and partly by way of the issue of Shares (49,078,834 Shares at \$0.20 each representing \$9,815,767) allocated as set out in the table below.

Completion of the sale of Report Card's shares under the Sale Agreement is conditional on Completion of the Offer (including the allotment of Shares to Shareholders) and the execution of Orderly Market Agreements by those Vendors who are receiving Shares as consideration, whether in whole or part.

The Sale Agreement also contains some limited warranties on the part of the Vendors given the due diligence processes associated with Listing that have been undertaken by the Board.

Vendors:	Report Card Shares	Cash Consideration	Share Consideration
Magenta City Pty Ltd ACN 065 388 936	162	70%	30%
Mal Steane Pty Ltd ACN 067 561 095	124	80%	20%
Manikato Financial Services Pty Ltd ACN 007 417 549	164	70%	30%
Perth Select Seafoods Pty Ltd ACN 009 262 775	82	100%	Nil
Surfboard Pty Ltd ACN 122 463 576	200	100%	Nil
Zettaserve Pty Ltd ACN 106 003 490	108	100%	Nil
Anthony Raymond Cunningham	290	70%	30%
David Brian Argyle	1,037	23.3%	76.7%
Rebecca Caroline Argyle	115	0%	100%

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8.2.2 Orderly Market Agreements

8.2.2.1 Each Vendor who receives Shares as part of the consideration for the sale of its Report Card shares under the Sale Agreement has entered into an Orderly Market Agreement with the Lead Manager whereby for the period of two years following the issue of those Shares they appoint the Lead Manager as their exclusive agent for the sale of any of those Shares;

8.2.2.2 they may not dispose of those Shares via any other manner.

Provision is also made for the Lead Manager to instigate a sale of some of the Shares held by the Vendors where appropriate demand is demonstrated from the market, which opportunity will be available to each Vendor pro rata.

8.2.3 Lead Manager's Mandate Agreement

Under the Mandate Agreement, the Company appointed Somers & Partners as corporate advisor to the Listing process and as Lead Manager to the Offer.

In relation to its role as corporate advisor, the Lead Manager received a monthly retainer of \$20,000.00 for three months.

It will also receive a capital raising and management fee of 5% of the total amount raised under the Offer as follows:

8.2.3.1 5% of the value of Shares issued to fund the cash component of the consideration under the Sale Agreement, to be paid by the Vendors out of that cash consideration; and

8.2.3.2 5% of all new capital raised under the Offer, however 2.5% of this fee will be rebated in relation to those funds raised under the Company Offer.

The Company must also reimburse the Lead Manager reasonable expenses in accordance with the Mandate Agreement.

Assuming the successful Completion of the Offer, the Company also grants the Lead Manager a right of first refusal to act in a similar role in equity raising undertaken by the Company for 12 months from the date of Listing.

The Lead Manager or the Company may terminate the Mandate Agreement at any time by notice to the other party, however, if the Company does so for any reason other than negligence, breach or wilful misconduct on the part of the Lead Manager, the Company will remain liable to pay all fees noted above.

The Company also gives the usual representations and warranties in an agreement of this kind.

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8.2.4 **Executive Director Contract**

Effective as of 1 December 2015, under a Support Services Agreement, Report Card engaged Geoffrey Reilly as an executive director, to assist with the transition of that company through to its acquisition by the Company, the Listing and the ongoing operations of the HotCopper business pending the appointment of a new CEO or Managing Director.

The Support Services Agreement was superseded by an Executive Services Agreement dated 27 May 2016, on identical terms, under which Mr Reilly is engaged via a consulting company, which company is paid \$8,000.00 (exclusive of GST) per month for Mr Reilly's services. The initial term of this engagement is for a period of 12 months, and both the term and the level of remuneration are subject to any variation agreed by the parties.

The consulting company is responsible for, and indemnifies Report Card against, all other benefits, entitlements and obligations arising from Mr Reilly's engagement.

8.2.5 **Ben Newport's Employment Agreement**

On 11 April 2016 Report Card entered into a new employment agreement with Ben Newport in relation to his role as Account Executive of HotCopper.

He will be paid an annual salary of \$70,000.00 plus a commission of 10% of direct premium advertising and 5% of native advertising revenue sold by him. He will also be entitled to the other usual statutory benefits of employment and 4 weeks of leave entitlement.

The term of the Employment Agreement is for an initial 12 months and reviewable by the parties thereafter.

8.2.6 **708Placements Heads of Agreement**

By an agreement dated 19 April 2016 Report Card agreed to purchase the remaining 50% of shares on issue in 708Placements Pty Ltd (ACN 130 574 257) that it did not own from Complii FinTech Solutions Ltd (ACN 142 459 859), a company associated with Anthony Raymond Cunningham, one of the Vendors. The acquisition was completed on 21 June 2016.

The consideration for the purchase was \$60,000.00 and the Company continues in negotiations with Complii in relation to entering into a licence agreement for Complii's proprietary software developed specifically to efficiently manage the registration, certification and compliance of Sophisticated Investors.

8.3 **Trademark Registration**

Report Card is the registered holder of Trade Mark No. 820325, registered on 17 January 2000 and due for renewal on 17 January 2020, class 36 in relation to financial services and represented below:

HOTcopper.

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8.4 Rights Attaching to Shares

8.4.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

8.4.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each Share held.

8.4.3 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

8.4.4 Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. For further information in respect of the Company's proposed dividend policy, see Section 4.7.

8.4.5 Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

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8.4.6 Issue of further shares

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of further shares on such terms and conditions as the Directors resolve.

8.4.7 Winding up

If the Company is wound up, then subject to the Constitution and any special resolution or preferential rights or restrictions attached to a class of shares, any surplus must be divided among the Company's members in the proportion which the amount paid and payable (including amounts credited) on the shares of a member is of the total amount paid and payable (including amounts credited) on the shares of all members of the Company.

8.4.8 Sale of non-marketable parcels

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

8.4.9 Share buybacks

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.

8.4.10 Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

8.4.10.1 with the consent in writing of the holders of three quarters of the issued shares included in that class; or

8.4.10.2 by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

8.4.11 Dividend plans

The Directors may, on any terms and at their discretion, establish a dividend reinvestment plan (under which any member may elect that the dividends payable by the Company be reinvested by a subscription for securities). The Directors have no current intention to establish a dividend reinvestment plan

8.4.12 Directors - appointments and removal

Under the Constitution, the minimum number of Directors may comprise the Board is three and the maximum fixed by the Directors but may not be more than ten unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

8.4.13 Amendment of Constitution

The Constitution may be amended only by special resolution passed by at least three quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

8.5 Documents Incorporated by Reference

The Historical Financial Statements for Report Card listed below have been lodged with ASIC and are incorporated by reference in this Prospectus pursuant to section 712 of the Corporations Act:

- The audited financial report for Report Card for the financial year ended 30 June 2013;
- The audited financial report for Report Card for the financial year ended 30 June 2014;
- The audited financial report for Report Card for the financial year ended 30 June 2015;
- The reviewed interim financial report for Report Card for the financial half year ended 31 December 2015.

Any person may obtain a copy of these documents (or parts of these documents) free of charge during the application period of the Prospectus upon request to the Company at info@hotcopper.com.au.

8.6 Consents to be Named and Inclusion of Statement and Disclaimers of Responsibility

Each of the parties referred to below (each a Consenting Party), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding, and takes no responsibility for, any statements in, or omissions from, this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

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Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement is made in this Prospectus is based, other than as specified below:

- 8.6.1 Somers & Partners;
- 8.6.2 Bennett + Co;
- 8.6.3 Grantleigh House;
- 8.6.4 Ernst & Young - has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to being named in the Prospectus as auditor in the form and context in which it is named;
- 8.6.5 Ernst & Young Transaction Advisory Services Limited - has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to being named as the Investigating Accountant and to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included in Section 5; and
- 8.6.6 Security Transfer Registrars.

8.7 Litigation and Claims

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Report Card or the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Report Card or the Company.

8.8 Costs of The Offer

The Company has engaged the following professional advisers:

- 8.8.1 Somers & Partners is acting as Lead Manager to the Offer. The Company has paid, or agreed to pay, the Manager the fees described in Section 8.2.3 for these services;
- 8.8.2 Bennett + Co has acted as a legal adviser in relation to the Offer. Report Card estimates that it will pay Bennett + Co approximately \$113,000 (excluding disbursements and GST) for this legal advice. Subsequently, fees for legal services will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bennett + Co has received legal fees from Report Card for the provision of other legal services in the amount of approximately \$67,500 (excluding disbursements and GST);

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- 8.8.3 Grantleigh House has acted as a legal adviser in relation to the Offer. The Company has paid, or agreed to pay, approximately \$35,000.00 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Grantleigh House in accordance with its normal time-based charges. Grantleigh House has also been paid approximately \$15,000 (excluding disbursements and GST) for other legal services;
- 8.8.4 Ernst & Young Transaction Advisory Services Limited has acted as Investigating Accountant and has prepared the ILAR. The Company has paid, or agreed to pay, approximately \$10,000 in total (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young Transaction Advisory Services Limited in accordance with its normal time-based charges: and
- 8.8.5 Ernst & Young has provided due diligence services in relation to the Offer. The Company has paid, or agreed to pay, approximately \$110,000 in total (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.

8.9 Statement of Directors

The issue of this Prospectus has been authorised by each Director. Each Director has consented to lodgement of this Prospectus with ASIC and issue of this Prospectus and has not withdrawn that consent.

9 CORPORATE DIRECTORY

REGISTERED OFFICE

HotCopper Holdings Limited
Level 3
140 St Georges Terrace
Perth, WA 6000

POSTAL ADDRESS

HotCopper Holdings Limited
PO Box Z5558
St Georges Terrace
Perth, WA 6831

LEAD MANAGER

Somers & Partners Pty Ltd
Level 9, 190 St Georges Terrace
Perth, WA 6000

LEGAL ADVISERS

Bennett + Co
Ground Floor, BGC Centre
28 The Esplanade
Perth, WA 6000

Grantleigh House
3/187 Broome Street
Cottesloe, WA, 6011

INVESTIGATING ACCOUNTANT

Ernst & Young Transaction Advisory Services Limited
11 Mounts Bay Road
Perth, WA 6000

AUDITOR

Ernst & Young
11 Mounts Bay Road
Perth, WA 6000

SHARE REGISTRY

Security Transfer Registrars
PO Box 535
Applecross, WA 6953

10 GLOSSARY

TERM	MEANING
AFSL	An Australian Financial Services Licence issued under the terms of the Corporations Act
Applicant	A person who validly applies for Shares under this Prospectus
Application	An application to apply for Shares
Application Form	The application form accompanying this Prospectus
Application Monies	The amount accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange, as operated by ASX Limited ABN 98 008 624 691
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532
ASX Settlement Operating Rules	The operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ABN 48 001 314 503
ATO	Australian Taxation Office
Auditor	Ernst & Young
AUD, A\$, \$ or Australian dollar or cent	The lawful currency of the Commonwealth of Australia
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations
Bennett + Co	Lawfirst Pty Ltd, ABN 69 147 622 197, trading as Bennett + Co (an incorporated legal practice)
Board or Board of Directors	The board of directors of the Company
Business Day	Has the meaning given in the Listing Rules
CEO	Chief Executive Officer
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act

TERM	MEANING
CPM	Average cost per 1,000 impressions
Closing Date	24 August 2016
Company	HotCopper Holdings Limited ACN 611 717 036
Company Offer	The offer of Shares detailed in Section 7.3
Company Secretary	The company secretary of the Company from time to time
Completion of the Offer or Completion	Completion in respect of the issuance of Shares in accordance with the Prospectus
Complii	Complii Fintech Solutions Limited ACN 142 459 327
Constitution	The constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)
Customer	Any party that enters into a commercial arrangement with HotCopper to place advertising or promotional material on its website or to distribute to Members via email or similar means
Director	Each of the directors of the Company from time to time
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Expiry Date	27 August 2017, being the date which is 13 months after the Prospectus Date, after which no Shares will be issued or transferred under this Prospectus
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum of seven days from the Prospectus Date, during which an application must not be accepted. ASIC may extend this period by up to seven days after the end of this period
Financial Information	As defined in Section 4.1
Forecast Financial Information	As defined in Section 4.1
FY13	Financial year ended 30 June 2013
FY14	Financial year ended 30 June 2014

TERM	MEANING
FY15	Financial year ended 30 June 2015
FY16	Financial year ending 30 June 2016
FY17	Financial year ending 30 June 2017
Grantleigh House	Grantleigh Group Pty Ltd, ACN 604 999 902, trading as 'Grantleigh House', an incorporated legal practice
GST	Goods and services tax imposed in Australia
HIN	Holder identification number
Historical Financial Information	The historical financial information detailed in Section 4.1
HotCopper	The business described in this Prospectus carried on by Report Card
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Internet	A global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardised communication protocols
ILAR	The Independent Limited Assurance Report included in Section 5
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited
IPO	Initial public offering
k	thousand
Lead Manager	Somers & Partners
Lead Manager Offer	The Offer of Shares detailed in Section 7.2
Listing	The expected admission of the Company to the Official List
Listing Rules	The official listing rules of ASX
m	million
Member	A registered member of HotCopper

TERM	MEANING
n/m	Not meaningful
NPAT	Net profit after tax
NZD	The lawful currency of New Zealand
Offer	The invitation under this Prospectus to apply for Shares to be issued by the Company comprising the Company Offer, the Lead Manager Offer and the Report Card Offer
Offer Price	The price payable for a Share under the Offer, being \$0.20.
Official List	The official list of entities that ASX has admitted to and not removed from listing
Option	An option over Shares granted on the terms set out in Section 3.4.2 and Schedule 2
Perth Time	The time in Perth, Australia (GMT+ 7 hours)
Prospectus	This document (including the electronic form of this document) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 27 July 2016
Publift	Publift Pty Ltd ABN 90 601 866 684 trading as Publift
Recommendations	The Corporate Governance Principles and Recommendations (3 rd Edition) as published by the ASX Corporate Governance Council
Report Card	Report Card Pty Ltd ACN 092 598 859 trading as HotCopper
Report Card Offer	The offer of 49,078,834 Shares at \$0.20 per Share to the Vendors in partial consideration for the acquisition of Report Card under the Sale Agreement
Report Card shares	Ordinary shares in Report Card
R&D	Research and development
Relevant Interest	Has the meaning given in the Corporations Act
Sale Agreement	The share sale agreement dated 15 April 2016 executed by the Company and all Vendors

TERM	MEANING
Security Transfer Registrars	Security Transfer Registrars Pty Ltd, ABN 95 008 894 488
Share	A fully paid ordinary share in the Company
Share Registry	Security Transfer Registrars
Shareholder	The registered holder of a Share
Somers & Partners	Somers & Partners Pty Limited, ABN 46 149 263 543, AFSL 403684
Sophisticated Investor	An investor who is a person in Australia who is a sophisticated investor or professional investor under sections 708(8) and 708(11) of the Corporations Act
SRN	Security holder reference number
unique monthly visitors	The sum of all unique visits to the analysed domain or app within the chosen time frame and segment
USD, US\$, or United States dollar	The lawful currency of the United States of America
Vendors	The holders of Report Card shares
YTD May 16A	Year to date, May 2016 results
1HFY16	Financial half year ending 31 December 2015
708Placements	708Placements Pty Ltd ACN 130 574 257, AFSL 464233, a wholly owned subsidiary of Report Card

SCHEDULE 1

Corporate Governance Statement

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at <http://www.hotcopper.com.au>.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	YES	<p>The Company has adopted a Corporate Governance Plan that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Corporate Governance Plan sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Corporate Plan, is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	YES	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Corporate Governance Plan requires that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history. These checks will be undertaken in future prior to appointing a director or recommending a new candidate for election as a director.</p> <p>(b) Under the Corporate Governance Plan, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The Board will ensure this material information is included in the Company's 2015 Notice of Annual General Meeting.</p>

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RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION												
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Corporate Governance Plan requires the Company to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has had written agreements with each of its Directors and senior executives for the past financial year.</p>												
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	YES	<p>The Corporate Governance Plan outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary reports to the Board through the Chairman and is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and dispatch of Board agenda and briefing material. All directors have access to the Company Secretary.</p>												
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <ul style="list-style-type: none"> • the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or • if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. 	PARTIALLY	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c) The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit.</p> <p>The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for the past financial year is disclosed below –</p> <table border="1" data-bbox="1002 1554 1426 1711"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Senior Executive*</td> <td>25%</td> <td>75%</td> </tr> <tr> <td>Whole organisation</td> <td>14%</td> <td>86%</td> </tr> </tbody> </table> <p>* The Senior Executives are the individuals at the highest level of organisational management who have the day-to-day responsibilities of managing the Company below the Board. The Senior Executives include the Company's CEO and the Company Secretary.</p>		Female	Male	Board	0%	100%	Senior Executive*	25%	75%	Whole organisation	14%	86%
	Female	Male												
Board	0%	100%												
Senior Executive*	25%	75%												
Whole organisation	14%	86%												

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RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) Given the size of the Company, the Board operates in place of a Remuneration and Nomination Committee and is responsible for evaluating the performance of the Board on an annual basis. In addition, each Board sub-committee, if there are any, is required to undertake an annual performance review of its own activities annually. The Chairman shall review each Director at least once every calendar year. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A formal performance evaluation in respect of the Board, its committees and individual Directors has not been undertaken as the Company has only recently been incorporated and the Board appointed. A formal performance evaluation in respect of the Board and its committees will be undertaken in at the conclusion of its first full financial year of operation. In addition, it is noted that the Chairman has open and honest communications with each of the Directors both throughout the financial year and currently whereby matters relating to Director Performance, if any, are raised promptly and dealt with accordingly.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Chairman is responsible for evaluating the performance of the Company's CEO on an annual basis. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for approving changes to remuneration or contract terms of the CEO.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company has not completed a performance evaluation in respect of the CEO for the past financial year as it is in the process of appointing a new CEO in accordance with the applicable processes.</p>
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	YES	<p>(a) Given the size of the Company, the Board operates in place of a Remuneration and Nomination Committee and complies with the criteria recommended and adopted below. The Company's Corporate Governance Plan provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), and in this case the Board. comprises at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website.</p> <p>Neither the Company nor the Board has been constituted for an appropriate reporting period to record attendance.</p> <p>(b) As noted above, the Company does not presently have a separate Nomination Committee, as the Board did not consider the Company would benefit from its</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>establishment. Until an annual review of its policies determines to the contrary, the Board will carry out the duties that would ordinarily be carried out by the Nomination Committee, including the Board reviewing as and when required succession planning and the balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities effectively. The Board has also prepared a Board Skills matrix which was reviewed by all Directors and is available for viewing on the Company's website.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>Under the Corporate Governance Plan, the Board is required to prepare a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Company has recently established a Board skill matrix. A copy is available on the Company's website.</p> <p>The Corporate Governance Plan requires the disclosure of each Board member's qualifications and expertise. Full details of each Director's and senior executive's relevant skills and experience is available in the prospectus to which this table is appended.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	<p>YES</p>	<p>(a) The Corporate Governance Plan requires the disclosure of the names of Directors considered by the Board to be independent. The Company has disclosed those Directors it considered to be independent in its 30 June 2015 Annual Financial Report.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) All current Directors were appointed upon incorporation of the Company.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	<p>YES</p>	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board has an independent majority.</p> <p>The Board considers the composition of the Board is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. Further, the Board considers that each of the non-independent Directors in office during the financial year possesses skills and experience suitable for building the Company.</p>
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>YES</p>	<p>The Corporate Governance Plan provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO.</p> <p>The current, and original, Chair of the Company is S. James and is an independent Director and is not the CEO/Managing Director of the Company.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	In accordance with the Company's Corporate Governance Plan the Board is responsible for implementing an induction program for new Directors to ensure that they gain an understanding of the Company and that they can effectively discharge their responsibilities. The Company Secretary assists in the facilitation of inductions and professional development. The Company Secretary will regularly provide information to the Directors which may assist in their ongoing professional development.
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	YES	<p>(a) Given the size of the Company, the Board operates in place of an Audit and Risk Management Committee. The Company's Corporate Governance Plan provides for the creation of an Audit and Risk Management Committee with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board. The Board's composition complies with these criteria.</p> <p>The Company's Corporate Governance Plan contains an Audit and Risk Management Committee Charter which is implemented by the Board in its role in lieu of a committee and is available on the Company's website.</p> <p>The members of the Board and, their relevant qualification and experience, are disclosed in the prospectus to which this table is appended.</p> <p>The Company has not operated for a relevant reporting period, but the number of meetings and attendance of Board members will be recorded in its next annual report.</p>
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	The Company's Audit and Risk Management Committee Charter, adopted by the Board, requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor will attend the Company's AGM's and will be available to answer shareholder questions at those AGM's.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company's Corporate Governance Plan details the Company's Disclosure policy.</p> <p>(b) The Corporate Governance Plan, which incorporates the Disclosure policy, is available on the Company's website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance including the Corporate Governance Plan, Board Skills Matrix and this table of compliance is available in the Corporate Governance page on the Company's website at www.hotcopper.com.au</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company's Corporate Governance Plan states that the Board is committed to open and accessible communication with holders of the Company's securities. Disclosure of information and other communication is made as appropriate by mail or email. Security holders are given the option to receive communication from, and send communications to, the Board and its security registry electronically. The Company's security holder communications strategy aims to promote and facilitate effective two-way communication with investors. The Corporate Governance Plan outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	<p>Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the dispatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The security holder communication strategy provides security holders with the option to receive communication from, and send communications to, the Board and its security registry electronically. All information provided to the ASX is immediately posted the Company's website.</p> <p>Shareholder queries are referred to the Company Secretary in the first instance.</p>

RECOMMENDATIONS (3RD EDITION)

COMPLY

EXPLANATION

Principle 7: Recognise and manage risk**Recommendation 7.1**

The Board of a listed entity should:

YES

- (a) have a committee or committees to oversee risk, each of which:
- (i) has at least three members, a majority of whom are independent Directors; and
 - (ii) is chaired by an independent Director, and disclose:
 - (iii) the charter of the committee;
 - (iv) the members of the committee; and
 - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

(a) Given the size of the Company, the Board operates in place of an Audit and Risk Management Committee. Nonetheless the Company's Corporate Governance Plan provides for the creation of an Audit and Risk Management Committee with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Board complies with these criteria in any event.

The Company's Corporate Governance Plan contains an Audit and Risk Management Committee Charter which is available on the Company's website and is implemented by the Board in its role in lieu of a committee.

The members of the Board, their relevant qualifications and experience, are disclosed in this prospectus, and their attendance will be reported in accordance with each relevant reporting period.

Recommendation 7.2

The Board or a committee of the Board should:

YES

- (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and
- (b) disclose in relation to each reporting period, whether such a review has taken place.

(a) The Audit and Risk Management Committee Charter requires that the Audit and Risk Management Committee, or the Board in lieu, should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.

(b) The Company's Board and Audit and Risk Management Committee is focused on the management of risk. The Company's Board will review the Company's risks and the risk management framework at each Board meeting. The CEO is required to report on the management of risk as a standing agenda item at each Board meeting. This involves the tabling of a Risk Register which will be monitored and updated by management periodically. In addition, the Company's Audit and Risk Management Committee, if one is separately constituted, will also review the Company's risk management framework at each Audit and Risk Committee meeting and at least annually. The Company will therefore regularly review the Company's risk management framework during the financial year.

Recommendation 7.3

A listed entity should disclose:

YES

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

(a) The Board believes it is not of a size to justify having an internal audit function for efficiency purposes but will monitor the need for an internal audit function as the size of the Company and its operations grow having regard to the size, location and complexity of the Company's operations.

(b) The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. In addition, the Company's Audit and Risk Management Committee, or the Board in lieu, will review the Company's risk management framework including in relation to internal controls, economic, environmental and social sustainability risk at least annually and monitors the quality of the accounting function.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company's Corporate Governance Plan states the risk management policies and procedures shall include a procedure to determine whether the Company has a material exposure to economic, environmental and social sustainability risks and if it does, a policy to manage those risks. The Audit and Risk Management Committee Charter requires the Audit and Risk Management Committee, or the Board in lieu, to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>(a) Given the size of the Company, the Board operates in place of a Remuneration and Nomination. The Company's Corporate Governance Plan provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Board satisfies these criteria and has adopted a Remuneration and Nomination Committee Charter which is available in the Corporate Governance Plan on the Company's website.</p> <p>The members of the Board, their relevant qualifications and experience, are disclosed in this prospectus, and their attendance will be reported in accordance with each relevant reporting period.</p> <p>(b) As noted above, the Company does not have a separate Nomination Committee as the Board did not consider the Company would benefit from its establishment. Following the annual review of the Company's Corporate Governance policies and procedures each year this situation will be reconsidered. Until this position changes, the Board will carry out the duties that would ordinarily be carried out by the Nomination Committee, including Board review as and when required of succession planning and review of the balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities effectively</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	YES	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the Company's website.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company does not presently have an equity based remuneration scheme. In the event that one is adopted, under the Company's Corporate Governance Plan, participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in such a scheme unless specifically approved by the Board.</p> <p>(b) A summary of the policy is provided in the Company's Corporate Governance Plan which is on the Company's website.</p>

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SCHEDULE 2

Terms and Conditions of Options

1. Entitlement

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

2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.25 (**Exercise Price**) and an expiry date of the date which is 4 years after the date of issue (**Expiry Date**).

3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date provided the following condition precedent has been met, where relevant:

- In the case of Somers & Partners Pty Ltd, the exercise will be subject to the Company's share prices maintaining \$0.32, or greater, for 5 consecutive trading days;
- In the case of any management, consultants or employees of the Company exercise cannot occur whilst there is any unremedied breach of their respective terms of engagement, or cannot occur where the breach is incapable of remedy.

4. Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

5. Shares issued on exercise

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

6. Timing of issue of Shares

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

7. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of

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the proposed issue prior to the date for determining entitlements to participate in any such issue.

8. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

9. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

10. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

11. Options not quoted

The Company will not apply to ASX for quotation of the Options.

12. Options not transferable

The Options are not transferable.

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13. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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SCHEDULE 3

Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information in this Prospectus are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign Currency Translation

Functional and presentation currency

Items are measured using the currency of the primary economic environment in which the Company and Report Card operate ("the functional currency"). The financial information is presented in Australian dollars, which is the Company's and Report Card's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and Report Card and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

	Method	Useful Lives
Office Equipment	Reducing Balance	3-14

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(c) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs of disposal) and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due

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for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company and Report Card will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Intangible Assets - Software Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company and Report Card can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is based on a straight-line method over a 10 year period and matched to the future economic benefits over the useful life of the project. The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance date.

(g) Provisions

Provisions are recognised when the Company and Report Card has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company and Report Card expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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(h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company and Report Card, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Company and Report Card recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and Report Card and the specific criteria have been met for each of the Company's and Report Card's activities as described below:

(a) Advertising income

Revenue from advertising services is recognised when the services have been performed and the fair value of the consideration for the services provided can be reliably measured. Revenue from the provision of advertising on websites is recognised in the period the advertisements are placed or the impression occurs.

(b) Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(k) Investments in Associates

Associates are all entities over which the Company and Report Card has significant influence but not control or joint control, generally accompanying a shareholding of between approximately 20% and 50% of the voting rights. Investments in Associates are accounted for using the equity method of accounting. On initial recognition, an investment in an associate is recognised at cost. The Company's and Report Card's share of the post-acquisition profits or losses of associates are recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

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(l) Trade and Other Payables

These amounts represent liabilities for goods or services provided to the Company and Report Card prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Income Tax*Current Tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Employee benefits*Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies.

(p) Financial Assets***Initial recognition and measurement***

Financial assets within the scope of AASB 139 are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (the date that the Company and Report Card commits to purchase or sell the asset).

The Company's and Report Card's financial assets include cash and short-term deposits, trade and other receivables and loans and other receivables.

Subsequent measurement***Available for sale ("AFS") financial assets***

AFS financial assets, comprising principally of marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other category. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in equity in the period in which they arise.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company and Report Card has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company and Report Card has transferred substantially all the risks and rewards of the asset, or (b) the Company and Report Card has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and Report Card has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

Impairment of financial assets

For AFS financial assets, the Company and Report Card assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company and Report Card evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

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(q) Fair Value Measurement

The carrying amount of financial assets and liabilities recorded in the management approximate their fair values. For financial instruments carried at fair value, the Company and Report Card uses various methods in estimating fair value. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in an active market.

Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company and Report Card, on or before the end of the reporting period but not distributed at balance date.

(s) New standards and interpretations issued but not yet effective

The following standards and interpretations have been issues or amended but are not yet effective. These standards have not been early adopted by the Company and Report Card. The Company has not yet determined the impact of them on the financial information presented.

Title	Summary	Application date for Group
AASB 15 <i>Revenue from Contracts with Customers</i>	AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.	1 July 2018
AASB 16 <i>Leases</i>	AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees.	1 July 2019
AASB 9 <i>Financial Instruments</i>	A finalised version of AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition.	1 July 2018

APPLICATION FORM – COMPANY OFFER

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

HOTCOPPER HOLDINGS LIMITED

ACN: 611 717 036

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PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

This application relates to the offer of Fully Paid Ordinary Shares at the price of \$0.20 per Share.

No share will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print in BLOCK LETTERS.

I / We apply for:

I/We lodge full application of monies of:

, , shares at AUD \$0.20 per share

A \$, , .

or such lesser number of shares which may be allocated to me/us by the Directors.



www.securitytransfer.com.au

BPAY@ this payment via internet or phone banking.

Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form.

If electronic payment cannot be made then cheque(s) or bank draft(s) can be used .
See reverse for further payment instructions.

Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (for example: THE SMITH SUPERFUND A/C)

Postal Address

Unit Street Number Street Name or PO BOX

Suburb / Town / City

State

Postcode

Country Name (if not Australia)

CHESS HIN (where applicable)

X

If an incorrect CHESS HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

Tax File Number / Australian Business Number

Tax File Number of Security Holder #2 (Joint Holdings Only)

Contact Name

Contact Number

HOTCOPPER USERNAME

EMAIL ADDRESS USED FOR HOTCOPPER MEMBERSHIP

Declaration and Statements:

- (1) I/We declare that all details and statements made by me/us are complete and accurate.
- (2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
- (3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
- (4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
- (5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
- (6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

This Application Form relates to the Offer of Fully Paid Ordinary Shares in HotCopper Holdings Limited pursuant to the Prospectus dated 27 July 2016.

APPLICATION FORMS

PLEASE ENSURE YOU INSERT YOUR USERNAME AND EMAIL ADDRESS USED FOR YOUR HOTCOPPER MEMBERSHIP.

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT



www.securitytransfer.com.au

BPAY@ your payment via internet or phone banking. Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY.

Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All cheques should be made payable to **HotCopper Holdings Limited** and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Do not forward cash as receipts will not be issued.

LOGGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:

HotCopper Holdings Limited
C/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

Delivered to:

HotCopper Holdings Limited
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Applications must be received by no later than 5pm WST on the Closing Date 24 August 2016 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHES HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold shares allotted to you under this Application on the CHES subregister, enter your CHES HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to **HotCopper Holdings Limited**. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

Joint Holdings

Use full and complete names.

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Deceased Estates

Use the executor(s) personal name(s).

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Superannuation Funds

Use the name of the trustee(s) of the super fund.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &
Ms Louise Susan Williams

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Mr John Alfred Smith
<Peter Smith A/C>

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

Jane Smith Pty Ltd
<JSuper Fund A/C>

INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &
Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith
or
John Smith Deceased

Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd Superannuation Fund

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.