

WISEWAY

Issuers:

Wiseway Group Limited
(ACN 624 909 682)

Wiseway Group SaleCo Limited
(ACN 628 699 543)

Prospectus



Initial Public Offering of Ordinary Shares

Lead Manager

BELL POTTER



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Wiseway is a leading provider of integrated logistics in Australia operating from eight strategically located warehouses and facilities and a modern fleet of over 75 trucks.

Important Notices

Offer

This Prospectus is issued by Wiseway Group Limited (ACN 624 909 682) (**Wiseway** or the **Company**) and Wiseway Group SaleCo Limited (ACN 628 699 543) (**SaleCo**) for the purposes 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 (**Shares**) that will be issued by the Company and in part sold by SaleCo (**Offer**). Refer to Section 7 of this Prospectus for further information.

Lodgement and listing

This Prospectus is dated 8 October 2018 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of its Shares on ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, SaleCo, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice.

This Prospectus is important and should, along with each of the documents incorporated by reference, be read in its entirety prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares and the Shares offered under this Prospectus must be regarded as a speculative investment.

In particular, you should consider the assumptions underlying the Forecast Financial Information and the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether or not to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be other risk factors in addition to the risks in Section 5 that should be considered in light of your personal circumstances.

There may also be risks in addition to these that should be considered in light of your personal circumstances. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek

professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Shares.

No person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment in Shares made pursuant to this Prospectus.

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

Financial information presentation

Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

All references to FY2016, FY2017, FY2018 and FY2019 appearing in this Prospectus are to the financial years ended or ending 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 respectively, unless otherwise indicated.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards, except where otherwise stated. The Forecast Financial Information included in this Prospectus is unaudited and is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable and unless stated otherwise, consistent with the basis of preparation and presentation of the Historical Financial Information.

The Historical Financial Information in this Prospectus should be read in conjunction with reference to the information contained in Section 4.

Forward looking statements

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. The Forecast Financial Information included in Section 4 of this Prospectus is an example of forward looking statements. These forward looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events or outcomes to differ materially from the events or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company. The Forecast Financial Information and the forward looking statements should be read in conjunction with, and qualified by reference to, the risk factors as set out in Section 5, the specific and general assumptions set out in Section 4.6, the sensitivity analysis set out in Section 4.8 and other information contained 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 such forward looking statements. These forward looking statements speak only as at the date of this Prospectus. The Company does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

This Prospectus, including the industry overview in Section 2 and business overview in Section 3, uses market data and third party estimates and projections. The Company has obtained significant parts of this information from market research prepared by third parties. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Statements of past performance

This Prospectus includes information regarding past performance of Wiseway. Investors should be aware that past performance is not, and should not be relied upon as being indicative of future performance.

Market Data

Certain statistical information, modelled data and analytics relating to the markets that the Company operates (or intends to operate) in, such as market sizes, market shares, market positions, other industry data and macroeconomic trends and positions is sourced from information in the public domain.

Disclaimers

Bell Potter Securities Limited has acted as Lead Manager to the Offer. Bell Potter Securities Limited has not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, Bell Potter Securities Limited and its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to its name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Selling restrictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would be unlawful to make such offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia.

The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless the Shares have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws.

For details of selling restrictions that apply to the Offer and the sale of Shares in certain jurisdictions outside of Australia, please refer to Section 9.9.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of the funds.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to Applications received during the Exposure Period.

Prospectus availability

During the Offer period, this Prospectus is available to persons who are Australian residents in electronic form at the Offer website <http://www.wiseway.com.au/investor/>.

The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus. For details relating to the availability of this Prospectus in certain jurisdictions outside of Australia, please refer to Section 9.9.

Applications

Applications may be made only during the Offer period on the Broker Firm Application Form or Priority Offer Application Form (whichever is relevant to you) (in general referred to as **Application Form**) attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from <http://www.wiseway.com.au/investor/>. By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Offer management

The Offer is being arranged, managed by Bell Potter Securities Limited.

No cooling-off rights

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

Defined terms and abbreviations

Some words and expressions used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear. Unless otherwise stated or implied, references to times in this Prospectus is to Sydney time. Unless otherwise stated or implied, references to dates or years are calendar year references. All financial amounts contained in this Prospectus are expressed in AUD unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding.

Privacy

By completing an Application Form to apply for Shares, you are providing personal information to the Company, through its service provider, Link Market Services (**Share Registry**), which is contracted by or on behalf of the Company to manage Applications. The Company and the Share Registry on the Company's behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of the Company. 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.

Your personal information may also be used from time-to-time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's members, agents and services providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Company's register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

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. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you provide from time to time change. In accordance with the Corporations Act, information on the Company's members register (including name, address and details of any Shares held) will be accessible to the public. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry through the following means:

Website: www.linkmarketservices.com.au
Telephone: 1800 502 355 between 9:00am – 5:00pm (Sydney time), Monday to Friday (excluding public holidays).

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. 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 at the Prospectus Date.

Company Website

The Company maintains a website at www.wiseway.com.au. Any references to documents included on the Company's website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

Investigating Accountant's Report and Financial Services Guide

The provider of the independent review on the Forecast Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent review under the Corporations Act (Financial Services Guide). The Limited Assurance Investigating Accountant's Report and Financial Services Guide is provided in Section 8.

Questions

If you have any questions about how to apply for Shares, please call your Broker. Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form. Alternatively, call the Wiseway Offer Information Line on 1800 129 431 (within Australia) and +61 1800 129 431 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday (excluding public holidays).

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, Broker, lawyer or other professional adviser before deciding whether or not to invest in the Company.

This Prospectus is important and should be read in its entirety.

Key Offer Information

Offer Statistics

	Date
Offer Price	\$0.50 per share
Total proceeds from the Offer	\$26.1 million
Number of Shares offered to New Shareholders under the Offer	52.1 million
Other Shares on issue on Completion of the Offer ¹	68.9 million
Total number of Shares on issue on Completion of the Offer	121.1 million
Market capitalisation at the Offer Price ²	\$60.5 million
Estimated net cash on Completion of the Offer	\$13.8 million
Enterprise Value ³	\$46.7 million
Enterprise Value/pro forma forecast FY2019 EBITDA ^{3,4}	5.5x
Offer Price/pro forma forecast FY2019 NPAT per Share ^{4,5}	12.9x
Annualised FY2019 forecast dividend yield at the Offer Price ^{4,6}	2.4%

Key Dates

	Date
Prospectus Date	8 October 2018
Retail Offer opens	16 October 2018
Retail Offer closes and Applications due	23 October 2018
Settlement of the Offer	25 October 2018
Issue of Shares under the Offer (Completion of the Offer)	26 October 2018
Expected despatch of holding statements	26 October 2018
Shares expected to begin trading on ASX on a normal settlement basis	31 October 2018

- Shares held by Existing Shareholders will be subject to voluntary escrow arrangements as described in Section 9.6.
- Market capitalisation at the Offer Price is defined as the Offer Price multiplied by the total number of Shares at Completion of the Offer.
- Enterprise Value is equal to the market capitalisation of the Company less the expected net cash on Completion of the Offer.
- The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4.2.3 and is subject to the key risks set out in Section 5. There is no guarantee that forecasts will be achieved. Certain Financial Information included in this Prospectus is described as pro forma for the reasons described in Section 4.2.
- This ratio is commonly referred to as a price to earnings, or PE, ratio. A PE ratio is a company's share price divided by its earnings per Share. The Forecast Financial Information is based on the assumptions and accounting policies set out in Section 4 and Appendix A, and is subject to the key risks set out in Section 5. There is no guarantee that the Forecast Financial Information will be achieved.
- Annualised dividend yield for the period from 26 October until 30 June 2019 is calculated as the implied dividend per Share based on the midpoint of the Company's target dividend payout ratio range of 40% to 60% of pro forma forecast FY2019 NPAT, divided by the Offer Price. For more information on the Company's dividend policy, see Section 4.10.

Dates may change

The dates above are indicative only and may change. Unless indicated otherwise, all dates are Sydney time. The Company (with consent of the Lead Manager) reserves the right to vary the dates of the Offer without prior notice (including, subject to the ASX Listing Rules, the Corporations Act and other applicable laws), to close the Offer early, extend the date the Offer closes, to accept late Applications or to cancel the Offer before Completion of the Offer. If the Offer is cancelled before the issue of Shares, then all monies received in respect of the Offer will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Applicants are encouraged to submit their Application Forms as soon as possible after the Offer opens. No cooling-off rights apply to the Offer. The admission of the Company to the Official List and the quotation and commencement of trading of the Shares is subject to confirmation from ASX.

How to invest

Applications for Shares can be made in accordance with the procedures described in this Prospectus. Instructions on how to apply for Shares are set out in Sections 7.3, 7.4 and 7.5 and on the back of the Application Form.

Chairman's Letter



Dear Investor,

On behalf of the Board of Directors, I am pleased to offer you the opportunity to become a Shareholder in Wiseway.

Wiseway is a leading provider of integrated logistics in Australia operating from eight strategically located warehouses and a modern fleet of over 75 trucks. The Company has grown to become one of the top three outbound air freight logistics providers in Australia due to its specialist focus on Australia and China trade. This has enabled Wiseway to achieve 70% market share in outbound air freight to mainland China¹.

Wiseway provides air freight, sea freight, import services, domestic transportation, warehousing and customs clearance services, to a large customer base of over 700 business customers across two main segments, general cargo and perishable cargo.

General cargo includes infant milk formula, vitamins and health related products, while perishables cargo includes dairy products, meat, seafood and fresh produce. As an International Air Transport Association (**IATA**) agent, the Company has exclusive and non-exclusive arrangements with most major international airlines and acts as non-exclusive agent to a number of sea freight providers. Wiseway is expected to generate \$103.4 million of revenue in FY2019 of which 94% is from outbound air freight.

Many factors contribute to stimulating merchandise trade between Australia and China. This includes the removal of capacity constraints on Chinese airlines operating into Australia in December 2016. Air freight capacity between Australia and China has increased significantly largely resulting from the growth in airline passenger volumes between the two countries, as well as increased air freight demand. The majority of air freight is carried on scheduled passenger services and with almost 20 Chinese cities now served by flights to and from Australia, an increase in scheduled services between Australia and China provides additional capacity for air freight. In addition to increased air freight capacity, reduced tariffs from the China-Australia Free Trade Agreement which entered into force in December 2015, growth of middle-class consumption in China and growth in cross-border eCommerce.

Wiseway's customers primarily include wholesalers, suppliers, distributors and eCommerce platforms that require freight logistics between Australia and the Greater China Region. Wiseway's customers also include parcel express companies that leverage Wiseway's international network and purchasing power for port to port transportation services.

Wiseway's vision is to become the leading specialist logistics provider in the Asia-Pacific region. The Company's growth strategy is focussed on three key components:

1. Maintain core growth through increasing the efficiency of its logistics network and improving our service offering;
2. Continue to invest in new growth opportunities that result from increasing demand in the Asia-Pacific region, including time sensitive perishable products from Australia and inbound eCommerce parcels from the Greater China Region; and
3. International expansion in the Asia-Pacific region by leveraging Wiseway's extensive expertise in outbound and inbound air freight, sea freight and existing partnerships with airlines.

The purpose of the Offer is to facilitate the future growth expected by Wiseway, provide Wiseway with access to capital markets which it expects will provide financial flexibility to pursue further growth opportunities including acquisitions, allow the Founders to realise some of their investment, provide a liquid market for its Shares, assist the Company in attracting and retaining staff, an opportunity for third parties to invest and pay costs of the Offer. Following Completion of the Offer, the Escrowed Shareholders will hold in aggregate approximately 56.6% of the Shares on issue. The Escrowed Shareholders have entered into voluntary escrow arrangements in relation to their Shares held at Completion of the Offer with the majority of Shares escrowed until the release of the 1H FY2020 financial results to ASX.

This Prospectus contains detailed information about the Offer and the historical and forecast financial performance of Wiseway, as well as the key risks associated with an investment in Wiseway. These key risks are set out in Section 5 and include, among others, risks in relation to activity in the logistics sector, business operating risks and environmental risks. It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company.

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Geoff Raby', written over a faint horizontal line.

Dr Geoff Raby
Chairman

1. BITRE, International Airline Activity (June 2018) and Company data.



Investment Overview

1

This section is a summary only for the information contained in this Prospectus. This Prospectus should be read in full before making any decision to apply for Shares.

Topic	Summary	For more information
1.1 Introduction		
Who is Wiseway?	Wiseway is a leading provider of integrated logistics in Australia operating from eight strategically located warehouses and facilities and a modern fleet of over 75 trucks. The Company was established in 2005 and has grown to become one of the top three outbound air freight logistics providers in Australia due to its specialist focus on Australia and China trade. This has enabled Wiseway to achieve 70% market share in outbound air freight to mainland China ¹ .	Section 3
What services does Wiseway provide?	Wiseway provides air freight, sea freight, import services, domestic transportation, warehousing and customs clearance services, to a large customer base of over 700 business customers across two main segments, general cargo and perishable cargo. General cargo includes infant milk formula, vitamins and health related products, while perishables cargo includes dairy products, meat, seafood and fresh produce. As an IATA agent, the Company has exclusive and non-exclusive arrangements with most major international airlines and acts as non-exclusive agent to a number of sea freight providers.	Section 3
What industry does the Company operate in?	Wiseway operates in the logistics services industry as a third party logistics provider.	Section 2
Why is the Offer being conducted?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> • provide Wiseway access to capital markets which it expects will provide additional financial flexibility to pursue further growth opportunities; • allow the Founders to realise some of their investment in Wiseway; • achieve a listing on ASX to broaden the Company's shareholder base and provide a liquid market for its Shares; • assist Wiseway in attracting and retaining staff; and • pay the costs of the Offer. 	Section 7

1. BITRE, International Airline Activity (June 2018) and Company data.

Section 1 – Investment Overview continued

Topic	Summary	For more information
1.2 Key features of Wiseway's business model		
How does Wiseway generate revenue?	<ul style="list-style-type: none"> • Outbound cargo – The outbound cargo segment includes air freight and sea freight and contributed 95% of FY2018 revenue. <ul style="list-style-type: none"> – air freight: Wiseway charges customers a freight charge of a margin above a tiered dollar per kilogram, a terminal charge which is generally passed directly onto the customer, and a documentation fee which is a fixed fee per shipment. – sea freight: Wiseway charges customers a freight charge of a margin above the shipping container price depending on the size of the container that is shipped, either 20 foot or 40 foot, and a documentation fee which is a fixed fee per shipment. • Inbound cargo – includes general cargo, eCommerce imports, bonded warehouse and customs clearance and contributed 1% of FY2018 revenue. Wiseway has a number of key customers which typically pay on a per parcel or per kilo basis for the services it provides, a terminal charge and a documentation fee. • Domestic transport – contributed 4% of FY2018 revenue. Wiseway charges customers either on a dollar per pallet or dollar per kilo basis. 	Sections 3.6 and 3.7
Who are Wiseway's competitors?	<ul style="list-style-type: none"> • The freight forwarding industry is relatively fragmented, however, with over 120 staff, Wiseway is one of the larger businesses operating in Australia. Large freight forwarding businesses in Australia in addition to Wiseway include DHL Global Forwarding, Kuehne + Nagel, Seafrigo Australia, Mainfreight and C.T. Freight. 	Section 2.7
What is Wiseway's growth strategy?	<p>Wiseway's vision is to become the leading specialist logistics provider in the Asia-Pacific region. Wiseway's growth strategy is focussed on three key components:</p> <ul style="list-style-type: none"> • Maintain core growth through increasing the efficiency of our logistics network and improving our service offering. This will include investment in digital processes and automation to continuously improve client service. Wiseway will also continue to leverage its nation-wide presence to deepen its relationship with key Asian eCommerce platforms and suppliers. • Continue to invest in new growth opportunities that result from increasing demand in the Asia-Pacific region, including outbound perishables from Australia and inbound eCommerce parcels from the Greater China Region. • International expansion in the Asia-Pacific region by leveraging Wiseway's extensive expertise in outbound and inbound air freight, sea freight and existing partnerships with airlines. 	Section 3.11
How does Wiseway expect to fund its operations?	<p>Wiseway's principal source of funds are expected to be cash flow generated from operations and cash on hand. Upon Completion of the Offer, Wiseway will have an expected cash balance of \$19.5 million.</p>	Section 4.5.3

Topic	Summary	For more information			
What is Wiseway's pro forma historical and forecast financial performance?	Pro Forma Historical	Pro Forma Forecast			
	\$'000	FY2016	FY2017	FY2018	FY2019F
	Total revenue	43,499	64,853	82,248	103,355
	EBITDA	(69)	1,672	2,949	8,492
	EBIT	(711)	512	1,410	6,921
	NPAT	(688)	195	542	4,684
	Operating cash flow	874	2,126	306	7,174
	Statutory historical				
	\$'000	FY2016	FY2017	FY2018	FY2019F
	Total revenue	43,499	64,853	82,248	103,355
NPAT	40	928	1,162	3,183	
<p>The information presented above contains non-IFRS financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4 as well as the risk factors set out in Section 5.</p> <p>The Pro Forma historical and forecast financial information and the statutory historical and forecast financial information included in this Prospectus have been prepared on the basis described in Section 4 of this Prospectus. The Pro Forma financial information varies from the statutory financial information as explained in the reconciliation tables in Section 4.</p>					
What is the Company's dividend policy?	<p>Subject to future business conditions and the future cash flow requirements of Wiseway, it is the current intention of the Directors to target a dividend payout ratio in the range of 40% to 60% of NPAT. The initial dividend will relate to the period to 30 June 2019 and is expected to be paid in September 2019.</p> <p>Thereafter, it is the current intention of the Directors to pay interim dividends in respect of the half year ending 31 December and final dividends in respect of full years ending 30 June with payments expected in March and September respectively.</p>				Section 4.10

Topic	Summary	For more information
1.3 Key Strengths		
Strong demand for Australian based general and perishable cargo	<ul style="list-style-type: none"> • Strong growth in exports of Australian agricultural and fishery products to China have increased from 0.75 million tonnes in 2007 to 8.9 million tonnes in 2017, a CAGR of 28% • Many products are time sensitive perishable cargo which drives demand for air freight 	Sections 2.4.1 and 2.5.3
Significant growth in air freight between Australia and China	<ul style="list-style-type: none"> • Air freight volume between Australia and China has grown significantly faster than the global total • Total air freight between Australia and China reached 244,000 tonnes in 2017, or 22% of total air freight • Strongest growth is in air freight exports which reached 137,212 tonnes in 2017, increasing at a CAGR of 16.4% between 2010 and 2017 	Section 2.4.3

Section 1 – Investment Overview continued

Topic	Summary	For more information
Leading logistics provider between Australia and China	<ul style="list-style-type: none"> Operates eight strategically located warehouses and facilities across all major Australian capital cities 70% market share of outbound air freight to China, top three air freight export provider Australia-wide Strategic airline partnerships and exclusive agreements with most major international airlines Fleet of over 75 trucks provides interstate and local transport services 	Sections 2.7.2, 3.6.2, 3.7.3 and 3.8
Proven growth strategy	<ul style="list-style-type: none"> Strong track record of delivering organic growth across multiple segments Continue to invest in new growth initiatives to leverage its national footprint and key relationships in Asia International expansion opportunities 	Section 3.11
Financial track record with margin upside	<ul style="list-style-type: none"> Strong track record of revenue and EBITDA growth, together with EBITDA margin expansion Pro forma revenue grew from \$43.5 million in FY2016 to \$64.8 million in FY2017 and to \$82.2 million in FY2018, and is forecast to increase to \$103.4 million in FY2019. Pro forma EBITDA grew from a small loss in FY2016 to \$1.7 million in FY2017 and to \$2.9 million in FY2018, and is forecast to increase to \$8.5 million in FY2019. Wiseway's EBITDA margin is forecast to grow to 8.2% in FY2019, due to the growth in air freight revenue leading to further operating leverage and efficiencies. 	Section 4.3
Experienced, aligned and committed management team	<ul style="list-style-type: none"> Management have been involved with the logistics industry for over 20 years Deep relationships in China and unique expertise into the Asian export market Founders to retain significant ongoing equity ownership post IPO and escrowed for 16 months 	Sections 6.2 and 9.6

Topic	Summary	For more information
1.4 Key Risks		
Reliance on key suppliers	<p>Wiseway has long-term supplier partnerships with numerous air freight service providers (airlines). In particular, Wiseway's partnership with airlines account for approximately 95% of Wiseway's FY2018 revenue. Although Wiseway has entered into several general sales agency agreements and cargo sales agency agreements with its key airlines, some of the contractual arrangements with air freight service providers that the Company and its subsidiaries are a party to contain termination clauses which enable the counterparty to terminate under certain circumstances. This includes termination clauses which are triggered by change of control events as well as termination for convenience clauses. There is also a risk that the suppliers may not renew their contracts with Wiseway, and those contracts do not guarantee freight volumes to Wiseway. Any loss or changes to these key suppliers, or fall in volume of freight, may have a material and adverse effect on Wiseway's business. Further, freight rates with these service providers are subject to frequent changes. An increase in the freight rate could lead to a reduction in the gross margin of Wiseway.</p>	Section 5.2.1

Topic	Summary	For more information
Competition risk	<p>Wiseway is subject to competition from global logistics services providers such as DHL, CT Freight and Mainfreight. Certain market conditions may cause an increase in competition. For instance, an increase in demand may present the opportunity for competitors to expand their operations and markets. Increased competition may reduce the volume and price of the services that the Company provides, which may have a material and adverse effect on Wiseway's revenue and profitability and, in particular, its growth.</p> <p>In addition, advancements and changes in technology in the logistics industry may have a substantial impact on the Company's business operations. If the Company cannot adapt to the technological advancements and changes, it may lose its competitive position in the market and therefore suffer losses in its revenue and profitability.</p>	Section 5.2.2
Government policy, and legal and regulatory oversight	<p>Wiseway's operations depend on government maintained public infrastructure including roads, airports, seaports and associated infrastructure. The financial performance and position of Wiseway depends upon government policy and the continued maintenance and provision of this infrastructure. Wiseway's operations are subject to extensive legal and regulatory oversight, and legislative or policy changes, especially in Customs and Quarantine policies, may have a material adverse effect on Wiseway.</p> <p>The Company is currently not aware of any changes to government policy that would have a material adverse effect on Wiseway.</p>	Section 5.2.3
Business approvals, permits and licences	<p>Wiseway requires certain licences and approvals to conduct its business. These licences are granted at the discretion of the relevant Australian authorities, and the criteria for eligibility may change. The business activities of Wiseway and its subsidiaries are subject to the supervision of these authorities which have the power to revoke previously granted licences or approvals or reject applications for new or extended licences or approvals.</p> <p>If any activity of the Group fails to meet the requirements of applicable rules or regulations, the Group may incur legal liabilities. In particular, if any entity in the Group fails to obtain the grant or renewal of any required licences or approvals, the business activities of the affected entity and the Group as a whole may be interrupted, or, if the affected entity continues to operate without the necessary licences and approvals, it may be liable to penalties. Any interruption to the Group's business activities or potential penalties may have a material and adverse effect on Wiseway and its subsidiaries' business, net assets, financial condition and operational results.</p> <p>Growth plans of the Group are also in part reliant on new or varied licences and approvals which may not be obtained in the time contemplated in the Group's business plan or at all. Adverse regulatory outcomes such as these may materially impact the Group's future revenues and profitability.</p>	Section 5.2.4
Decline in trade volumes and economic conditions	<p>Wiseway mainly focuses on bilateral trade between Australia and China, as its customers are businesses selling products into China and the end users of its services are the consumers in China. A decline in the bilateral trade volume and recessionary economic conditions may adversely affect Wiseway's financial performance. Trade volumes can be affected by various economic and political factors and general economic conditions in the market, such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption.</p>	Section 5.2.5

Section 1 – Investment Overview continued

Topic	Summary	For more information
Seasonal cycle effect	The Company's business is subject to seasonal cycles in its sales of services. Usually more demands of logistics services are generated during the period from September to January since there will generally be an increase in the bilateral trade volume between China and Australia due to the increasing consumer demands in the months leading up to Christmas and Chinese New Year. However, there will be less demand for logistics services during Chinese holiday periods. This causes seasonal revenue variations. It would also increase the fixed overhead and reduce the Group's annual profit.	Section 5.2.6
Quality control of perishable goods	Wiseway engages in a cold chain business, which involves the storage of perishable goods to ensure that the quality of the goods meets the required food industry standard. In an event that Wiseway fails to meet the requirements of applicable rules or regulations in relation to the storage of perishable foods, the Company may incur legal liabilities, which may have a material adverse effect on the Company's reputation and financial performance.	Section 5.2.7
Failure to retain existing customers and attract new customers	Wiseway's business depends on its ability to retain its existing clients and its growth depends on its ability to attract new customers. There is a risk that the existing customers may terminate their contracts with Wiseway or use their commercial leverage to push for lower prices or other less favourable terms for Wiseway, which will adversely affect Wiseway's financial performance. There is also no guarantee that the current sales growth momentum could be maintained.	Section 5.2.8
Reliance on key personnel	<p>Following Completion of the Offer, Wiseway's Founders will retain substantial shareholdings of 51.4% of the total number of Shares on issue, have operational roles within the Company and have substantial influence over the day to day affairs and strategic direction of the Company. Without the Founders acting in conjunction with other management personnel, the Company may not be able to maintain its services at a high quality level or deliver its long-term strategic objectives. Any decision by these or other substantial shareholders to materially reduce their stake in Wiseway may have a material adverse effect on the Share price.</p> <p>Wiseway also relies upon the performance and expertise of its key management personnel and employees. Any loss or changes to the quantity or quality of the operational services provided by these key personnel, or an inability to attract qualified and motivated personnel to provide these services, could adversely affect Wiseway's development and financial performance.</p>	Section 5.2.9
Loss of warehouse spaces or failure to renew leases	The Company has entered into a number of agreements to lease warehouse spaces, which is critical to the Company's business and operations. Whilst the majority of the Company's leases are long term leases, there is no guarantee that those leases or will be renewed at the expiration of their term on commercially acceptable terms, or at all. In addition, there is risk that, in some circumstances, the Company's existing contractual arrangements could be terminated by property owners before the end of their term, whether by default of the Company or otherwise. If these risks materialise, particularly in relation to one of the Company's key warehouses or in relation to a number of its warehouses at the same time, the Company may lose its leasehold rights and may need to relocate its business and operations. This may cause disruptions to the Company's operations and result in significant relocation costs, particularly in relation to which could materially adversely affect the Company's financial position and prospects.	Section 5.2.10

Topic	Summary	For more information
Foreign exchange rate risk	<p>Part of the Company's revenue will be generated overseas. Economic or political instability in foreign countries (which may be caused by a number of unforeseeable events), especially China where the majority of the Company's clients are based, may have an adverse effect on the Company. Foreign currency's exchange rate could fluctuate all the time. For example, Chinese Yuan's exchange rate has historically fluctuated in relatively short periods of time. Adverse movements in foreign currency's exchange rate could result in a decreased contribution from the Company's overseas business, and this may have a material adverse effect on the Company and may impact the Company's profitability. To mitigate this risk, the Company will aim to use Australian dollars as the settlement currency for future sales.</p>	Section 5.2.11
Chinese regulatory risks	<p>Some of the contractual arrangements with air freight service providers that the Company and its subsidiaries are a party to are governed by the laws of the PRC. The PRC's legal system is largely based on legislation and prior case law has limited precedential value. However, the PRC is still in the process of developing a comprehensive statutory framework. Its legal system is still considered to be underdeveloped in comparison with the legal systems in other developed countries.</p> <p>Since 1979, the PRC's legislative bodies have passed laws and regulations dealing with such economic matters as foreign investment, corporate organisation and governance, commerce, taxation and trade. The legislative tendency since that time has been to grant increased protection to foreign investors. In this way, significant progress has been made in the legal system of the PRC.</p> <p>Despite significant improvement in developing its legal system, there remain uncertainties and/or inconsistencies in the enforcement of existing laws and regulations. Most current PRC legislation has been passed relatively recently. As a result, there is a lack of established practice regarding the implementation, interpretation and enforcement of these laws. For this reason, the interpretation of these laws and regulations may be more volatile and less predictable.</p> <p>These uncertainties in the legal system may cause delays in any potential litigation and limit the legal protection that is offered to potential litigants. Any litigation in the PRC may be protracted and result in substantial legal costs and/or significant diversions of resources and management attention. Further, litigation found in favour of the Company may be difficult to enforce in the PRC. The occurrence of one or several of these risks could have material and adverse impacts on the Company's business, financial condition and operational results.</p>	Section 5.2.12
Lack of diversity in business activities	<p>The main business activity of Wiseway is international air freight forwarding, which contributes approximately 95% of FY2018 revenue. The lack of diversity in its business activities makes Wiseway's financial performance susceptible to airway trade volumes. The Company's revenue will be adversely impacted if there is a drop in airway trade volume for various reasons. However, Wiseway has been expanding its business scope into international sea freight forwarding, interstate and domestic logistics and cold chain logistics services. The Company has been actively investing in assets and human resources and has acquired necessary licences and approvals to conduct these services. The Company has achieved great progress in these business areas and will keep expanding its capabilities in conducting these services.</p>	Section 5.2.13

Section 1 – Investment Overview continued

Topic	Summary	For more information
Insurance coverage	<p>Insurance against all risks associated with the transport and logistics industry is not always available and the cost can be excessive. Any uninsured loss or damage, litigation or business disruption may result in substantial loss to the Company and its subsidiaries, which could have a material and adverse effect on the Company or its subsidiaries' business, net assets, financial condition, and operational results.</p> <p>The risks of losses and damages of goods during transportation are usually covered by insurance at the expense of Wiseway's customers. Additionally, Wiseway has sought advice from its insurance agent and is engaged with insurers for insurance policies which cover warehouse damages and employee journey personal accidents. All vehicles owned by the Company have also been properly insured.</p>	Section 5.2.14
Acquisitions and investments risk	<p>The Company regularly examines corporate and investment opportunities (including potential acquisitions) with a view to expanding its business operation and market shares and determining whether those opportunities will enhance its financial performance and position. The successful implementation of the Company's corporate and investment strategies will depend on a range of factors including potential funding strategies and challenges associated with integrating and adding value to a business which is acquired. Any corporate opportunity that the Company pursues could have a material adverse effect on the Company if it is not successfully implemented for a variety of reasons. In addition, in the course of expanding the Company's business into additional markets, failure to adapt the Company's business processes may impose a material adverse effect on the Company's financial performance.</p>	Section 5.2.15
Protection of intellectual property rights	<p>The Company believes that reputation and brand recognition are vital to its business and effective protection of intellectual property rights is critical to its interests. The Company currently holds registered intellectual property rights in Australia. However, it does not hold intellectual property rights in foreign jurisdictions. Failure to register the Company's intellectual property in foreign jurisdictions, and particularly in China in which the Company predominately operates, or into which the business proposes to expand in future may affect the ability of the Company to enforce claims of intellectual property infringement. Further, there is risk that other companies may register the Company's intellectual property in their name, meaning that the Company will not be able to use its intellectual property in those jurisdictions.</p> <p>Further, the Company cannot ensure that there will not be any unauthorised usage or misuse of the Company's brand. Any such infringement of the Company's intellectual property rights in respect of its trademarks may be detrimental to the Company's reputation, lead to litigation or adversely affect financial performance.</p>	Section 5.2.16
Negative publicity and damage to brand and reputation	<p>Any negative publicity or announcement relating to any of our substantial shareholders, key personnel, the Company or Wiseway Group as a whole may adversely affect the brand and reputation of the Company and the Share price performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions or other affairs or scandals.</p>	Section 5.2.17

Topic	Summary	For more information																																							
1.5 Significant interests of key people and related party transactions																																									
Who are the shareholders before the Offer and what will be their interest in the Company post Completion of the Offer?	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="border-bottom: 1px solid black;">Shares held prior to the Offer</th> <th colspan="2" style="border-bottom: 1px solid black;">Shares held at Completion of the Offer</th> </tr> <tr> <th style="border-bottom: 1px solid black;">Shares (million)</th> <th style="border-bottom: 1px solid black;">%</th> <th style="border-bottom: 1px solid black;">Shares (million)</th> <th style="border-bottom: 1px solid black;">%</th> </tr> </thead> <tbody> <tr> <td>Existing Shareholders (excluding Founders and Non-Executive Directors)</td> <td style="text-align: center;">5.6</td> <td style="text-align: center;">6.9%</td> <td style="text-align: center;">5.6</td> <td style="text-align: center;">4.6%</td> </tr> <tr> <td>Founders</td> <td style="text-align: center;">74.3</td> <td style="text-align: center;">91.9%</td> <td style="text-align: center;">62.2</td> <td style="text-align: center;">51.4%</td> </tr> <tr> <td>Non-Executive Directors</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.2%</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">0.8%</td> </tr> <tr> <td>Eligible Employees¹</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">0.2</td> <td style="text-align: center;">0.1%</td> </tr> <tr> <td>New Shareholders</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">52.1</td> <td style="text-align: center;">43.1%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">80.9</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">121.1</td> <td style="text-align: center;">100.0%</td> </tr> </tbody> </table> <p>1. This refers to Shares allocated to the Employee Gift Offer</p>		Shares held prior to the Offer		Shares held at Completion of the Offer		Shares (million)	%	Shares (million)	%	Existing Shareholders (excluding Founders and Non-Executive Directors)	5.6	6.9%	5.6	4.6%	Founders	74.3	91.9%	62.2	51.4%	Non-Executive Directors	1.0	1.2%	1.0	0.8%	Eligible Employees ¹	–	–	0.2	0.1%	New Shareholders	–	–	52.1	43.1%	Total	80.9	100.0%	121.1	100.0%	Section 6.3.2
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What significant benefits and interests are payable to Directors and what significant interests do they hold?	<p>On Completion of the Offer, the relevant interests in Shares held by the Directors is expected to be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="border-bottom: 1px solid black;">Director</th> <th colspan="2" style="border-bottom: 1px solid black;">Relevant interests in Shares at Completion of the Offer¹</th> </tr> <tr> <th style="border-bottom: 1px solid black;">Number of Shares</th> <th style="border-bottom: 1px solid black;">%</th> </tr> </thead> <tbody> <tr> <td>Florence Tong (Managing Director)</td> <td style="text-align: center;">31,089,175</td> <td style="text-align: center;">25.7%</td> </tr> <tr> <td>Roger Tong (Executive Director and CEO)</td> <td style="text-align: center;">31,089,175</td> <td style="text-align: center;">25.7%</td> </tr> <tr> <td>Geoff Raby (Non-Executive Chairman)</td> <td style="text-align: center;">65,000</td> <td style="text-align: center;">0.1%</td> </tr> <tr> <td>Nick Bolkus (Non-Executive Director)</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">0.0%</td> </tr> <tr> <td>Peter Hogan (Non-Executive Director)</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">0.0%</td> </tr> <tr> <td>Stephen Chan (Non-Executive Director)²</td> <td style="text-align: center;">838,309</td> <td style="text-align: center;">0.7%</td> </tr> </tbody> </table> <p>1. Directors may hold their interests in the Shares shown above directly, or through holdings by companies or trusts. 2. Stephen Chan holds 40,000 Shares in his own name and control, and holds 798,309 Shares beneficially through Golden Fortune Sky Limited of which he is the sole director and 100% shareholder.</p>	Director	Relevant interests in Shares at Completion of the Offer ¹		Number of Shares	%	Florence Tong (Managing Director)	31,089,175	25.7%	Roger Tong (Executive Director and CEO)	31,089,175	25.7%	Geoff Raby (Non-Executive Chairman)	65,000	0.1%	Nick Bolkus (Non-Executive Director)	40,000	0.0%	Peter Hogan (Non-Executive Director)	40,000	0.0%	Stephen Chan (Non-Executive Director) ²	838,309	0.7%	Section 6.3.2																
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Will any Shares be subject to restrictions on disposal following Completion of the Offer?	<p>The following individuals have agreed to enter into voluntary escrow arrangements in relation to 67,516,819 Shares in which they (or their associated entities) will hold a relevant interest on Completion of the Offer, as summarised below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border-bottom: 1px solid black;"></th> <th style="border-bottom: 1px solid black;">Number of Escrowed Shares</th> <th style="border-bottom: 1px solid black;">% of Shares on issue</th> </tr> </thead> <tbody> <tr> <td>Roger Tong¹</td> <td style="text-align: center;">31,089,175</td> <td style="text-align: center;">25.7%</td> </tr> <tr> <td>Florence Tong¹</td> <td style="text-align: center;">31,089,175</td> <td style="text-align: center;">25.7%</td> </tr> <tr> <td>Existing Shareholders (excluding Founders)²</td> <td style="text-align: center;">6,386,471</td> <td style="text-align: center;">5.3%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">67,516,819</td> <td style="text-align: center;">56.6%</td> </tr> </tbody> </table> <p>1. The Founders have agreed to enter into voluntary escrow arrangements in which their Shares will be subject to escrow restrictions for 16 months from the Company's date of quotation. 2. Shares held by Existing Shareholders will be subject to escrowed restrictions for up to 24 months from the Company's date of quotation.</p>		Number of Escrowed Shares	% of Shares on issue	Roger Tong ¹	31,089,175	25.7%	Florence Tong ¹	31,089,175	25.7%	Existing Shareholders (excluding Founders) ²	6,386,471	5.3%	Total	67,516,819	56.6%	Section 9.6																								
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Section 1 – Investment Overview continued

Topic	Summary	For more information																		
1.6 Proposed use of funds and key terms and conditions of the Offer																				
What is the Offer?	The Offer is an initial public offering of 52.1 million Shares at the Offer Price of \$0.50 per Share to raise approximately \$26.1 million that will in part be issued by the Company and in part sold by SaleCo. The Offer comprises the Broker Firm Offer, the Priority Offer, the Employee Gift Offer and the Institutional Offer. The Shares being offered to New Shareholders under the Offer will represent approximately 43.1% of the Shares on issue at Completion of the Offer. The free float will be approximately 43.2% of the Shares on issue on Completion of the Offer.	Section 7.1																		
Who are the issuers of this Prospectus?	Wiseway Group Limited (ACN 624 909 682), a company incorporated in Victoria, Australia and SaleCo, a company also registered in Victoria, Australia.	Section 7.1																		
Who is SaleCo?	SaleCo is a special purpose vehicle established to enable the Founders to partially sell their investment in the Company on Completion of the Offer.	Sections 7.1 and 9.2																		
What is the proposed use of the funds raised under the Offer?	<p>A reconciliation of the Offer proceeds to the estimated cash position of the Company following Completion of the Offer is set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Use of funds</th> <th style="text-align: right;">\$ million</th> <th style="text-align: right;">% of Offer proceeds</th> </tr> </thead> <tbody> <tr> <td>Payment to the Founders for some of their shares in Wiseway</td> <td style="text-align: right;">6.1</td> <td style="text-align: right;">23%</td> </tr> <tr> <td>Payment of costs of the Offer</td> <td style="text-align: right;">3.0</td> <td style="text-align: right;">12%</td> </tr> <tr> <td>Capital expenditure</td> <td style="text-align: right;">1.5</td> <td style="text-align: right;">6%</td> </tr> <tr> <td>Working capital</td> <td style="text-align: right;">15.5</td> <td style="text-align: right;">59%</td> </tr> <tr> <td>Total uses</td> <td style="text-align: right;">26.1</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	Use of funds	\$ million	% of Offer proceeds	Payment to the Founders for some of their shares in Wiseway	6.1	23%	Payment of costs of the Offer	3.0	12%	Capital expenditure	1.5	6%	Working capital	15.5	59%	Total uses	26.1	100%	Section 7.1.2
Use of funds	\$ million	% of Offer proceeds																		
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Capital expenditure	1.5	6%																		
Working capital	15.5	59%																		
Total uses	26.1	100%																		
Will the Shares be quoted on ASX?	<p>Wiseway will apply to ASX within seven days after the Prospectus Date for its admission to the Official List, and quotation of Shares by, ASX under the code "WWG".</p> <p>Completion of the Offer is conditional on ASX approving that application and granting permission for the Shares to be quoted on ASX on terms acceptable to the Company. If this approval is not given within three months of the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all monies received from Applicants will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 7.2																		
How is the Offer structured and who is eligible to participate in the Offer?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • the Broker Firm Offer; • the Employee Gift Offer; • the Priority Offer; and • the Institutional Offer. <p>No general public offer of Shares will be made under the Offer.</p>	Sections 7.1.1, 7.3, 7.4, 7.5 and 7.6																		
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager.	Section 9.3.1																		
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager in consultation with the Company and SaleCo having regard to the allocation policies outlined in Sections 7.3.4 and 7.6.2.</p> <p>The allocation of Shares among Applicants in the Institutional Offer was determined by the Lead Manager in consultation with the Company and SaleCo.</p> <p>The allocation of Shares among Applicants in the Priority Offer and Employee Gift Offer will be determined by the Company and SaleCo in consultation with the Lead Manager.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate Shares among their retail clients.</p>	Sections 7.3.4, 7.5.5 and 7.6.2																		

Topic	Summary	For more information
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty will be payable by Applicants on the acquisition of Shares under the Offer.	Section 7.2
What are the tax implications of investing in the Shares?	A summary of certain Australian tax consequences of participating in the Offer and investing in Shares is set out in Section 9.8. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether or not to invest.	Section 9.8
When will an Applicant receive confirmation that an Application has been successful?	It is expected that holding statements will be despatched by standard post on or around 26 October 2018.	Section 7.2
How can an Applicant apply for Shares?	<p>Broker Firm Offer Applicants Broker Firm Offer Applicants may apply for Shares by completing a valid Broker Firm Application Form attached to or accompanying this Prospectus and following the instructions of their Broker who invited them to participate in the Broker Firm Offer.</p> <p>Employee Gift Offer Applicants Applicants under the Employee Gift Offer must apply in accordance with the relevant instructions provided in their Employee Gift Offer invitation made under this Prospectus.</p> <p>Priority Offer Applicants Applicants under the Priority Offer must apply in accordance with the relevant instructions provided in their Priority Offer invitation made under this Prospectus. Existing Shareholders are treated as Priority Offer Applicants.</p> <p>Institutional Offer Applicants The Lead Manager has separately advised Institutional Investors of the application procedure under the Institutional Offer.</p>	Sections 7.3.2, 7.5.2 and 7.6.1
What is the minimum Application size?	The minimum Application size under the Broker Firm Offer and the Priority Offer is \$2,000 (which is equivalent to 4,000 Shares in aggregate).	Section 7.2
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before the issue of Shares to Applicants under the Offer. If the Offer, or any part of it, does not proceed, all monies received from Applicants will be refunded (without interest) in accordance with the Corporations Act.	Section 7.7
Where can I find out more information about the Offer?	<p>All enquiries in relation to this Prospectus should be directed to the Wiseway IPO Offer Information Line on: within Australia 1800 129 431; or outside Australia: +61 1800 129 431, from 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays).</p> <p>If you have any questions about whether or not to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, tax adviser, lawyer or other professional adviser before deciding whether or not to invest.</p>	Section 7.2

**Industry
Overview**

2



2.1 Market report

The Freight Logistics Market

This report describes the Freight Logistics Market, with a specific focus on freight logistics between Australia and China. This report has been commissioned from Frost & Sullivan by Wiseway Group.

All currency quoted in this report refers to Australian dollars (A\$) unless specified otherwise.

2.2 Introduction and Background

Wiseway is a logistics service provider that facilitates international trade. The Company operates as a 3PL (third-party logistics provider), offering services to shippers including freight forwarding (international air freight and international sea freight), warehousing (including specialist services such as chilled storage and bonded facilities) and domestic transportation through a fleet of trucks.

Wiseway's focus is on facilitating international trade between Australia and China, including both outbound and inbound freight. The Company's traditional focus for outbound trade has been on the *daigou*¹ market in Australia, particularly for infant formulae and other nutritional products, but more recently it has broadened its activities to include international logistics services, especially via air freight, for perishable items such as meat, dairy products and fruit exported from Australia to China.

Wiseway also focuses on inbound freight from China to Australia, again largely focused on air freight. The particular focus is working with large cargo shippers in China to manage the import of items ordered by Australian consumers from eCommerce platforms in China which are then shipped into Australia.

Wiseway is expected to benefit from a number of factors, including the rapid growth in overall trade between Australia and China, and the more specific growth in the sectors that Wiseway focuses on, including products ordered through the *daigou* channel, as well as exports of perishable food products to China. These factors are described in more detail in the sections below.

2.3 Industry Overview

Logistics involves the planning, implementation and control of the efficient and effective flow and storage of goods, services and related information from the point of origin to the point of consumption. Logistics is a key element of a supply chain, which starts with unprocessed raw materials and ends with the final customer using the finished goods. All vendors, service providers and customers are links in the supply chain.

Organisations that require the use of logistics services (referred to in this report as “**shippers**”) may undertake some activities in-house, or may outsource logistics services to one or more external providers. Logistics involves a number of discrete activities, although modern logistics service providers are increasingly offering these as part of an overall, integrated logistics service.

Logistics services providers that offer a range of services to shippers are often referred to as 3PLs. The main activities that are provided within a logistics service can include physical transportation (air, sea and land), warehousing and storage, consolidation and de-consolidation, freight forwarding² and customs clearance. Wiseway provides services across the logistics value chain, including transportation, warehousing (including cold storage), freight forwarding, quarantine treatment, customs clearance, etc.

The activities most commonly outsourced by shippers are domestic transportation, warehousing, international transportation, customs brokerage and freight forwarding.³

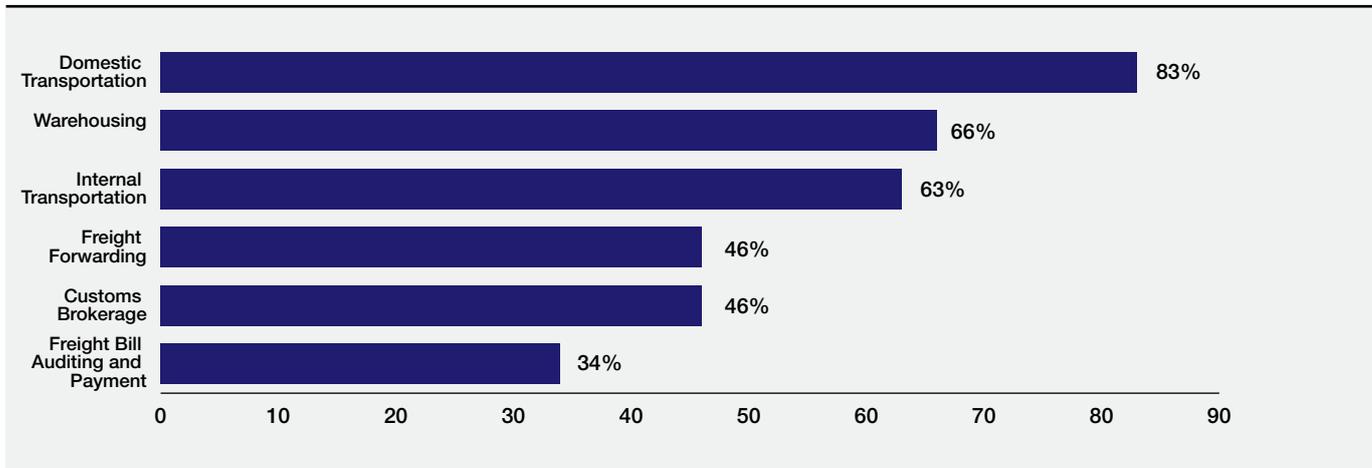
1. *Daigou* literally translates as “buy on behalf of” and is an individual outside China who shops on behalf of a client resident in China, and then either ships the products back to the client in China, or personally transports them, in return for a commission. *Daigous* usually take and complete orders on behalf of personal networks of clients in China, with transactions frequently facilitated via China's WeChat social media platform. *Daigous* are typically overseas students, tourists or other Chinese who have migrated to an overseas country. Australia is one of the main global markets for *daigous*.

2. Freight forwarding involves arranging storage and shipping of merchandise on behalf of shippers. A freight forwarder typically provides services including facilitating domestic transportation, preparation of shipping and export documents, warehousing, booking cargo space, negotiating freight charges, freight consolidation, cargo insurance, and filing of insurance claims.

3. Cap Gemini, 2018 Third-party Logistics Study.

Section 2 – Industry Overview continued

FIGURE 1: PERCENTAGE OF SHIPPERS THAT OUTSOURCE LOGISTICS ACTIVITIES, GLOBAL, 2018



Source: Cap Gemini, 2018 Third-party Logistics Study. Based on 580 companies.

Shippers typically outsource logistics services as they lack the in-house assets or expertise to deliver them, and because specialist service providers are able to offer services more efficiently and cost-effectively than they are able to do in-house.

Air Freight

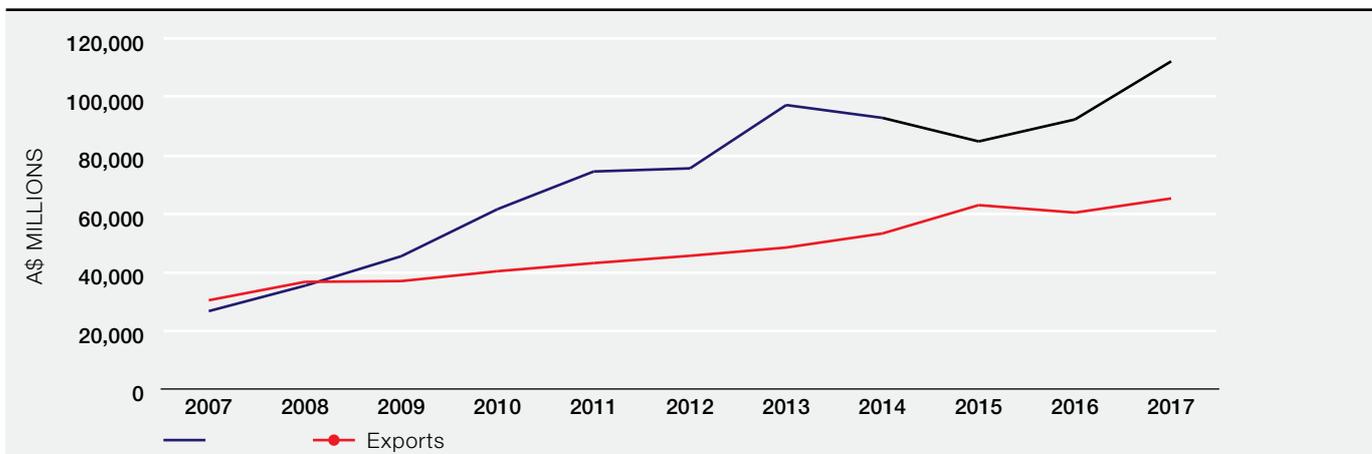
International freight is typically shipped by either sea or air, with road or rail freight used for transportation to and from air and sea freight hubs. On average, air freight is 20 times more expensive than road freight and 70 times more expensive than sea freight, and therefore air freight tends to be used for high-value, light-weight and time-sensitive products, including those that are perishable. Whilst some international freight is carried in dedicated freight aircraft, the bulk of air freight (83%) to and from Australia is carried on commercial passenger aircraft.⁴

2.4 Australia – China Freight

2.4.1 Overview

China is Australia's largest trading partner in terms of both exports and imports.⁵ Recent years have seen strong growth in Australia's trade with China. Over the decade from 2007 to 2017, Australia's merchandise exports to China have increased at a CAGR of 15.5% to reach \$112 billion in 2017. Over the same period, Australia's merchandise imports from China have increased at a CAGR of 7.9% to reach \$65.3 billion in 2017.⁶

FIGURE 2: AUSTRALIAN MERCHANDISE TRADE WITH CHINA, 2007 TO 2017



Source: Department of Foreign Affairs and Trade (DFAT), Australia's Merchandise Exports and Imports. Includes trade with Hong Kong and Macau SARs.

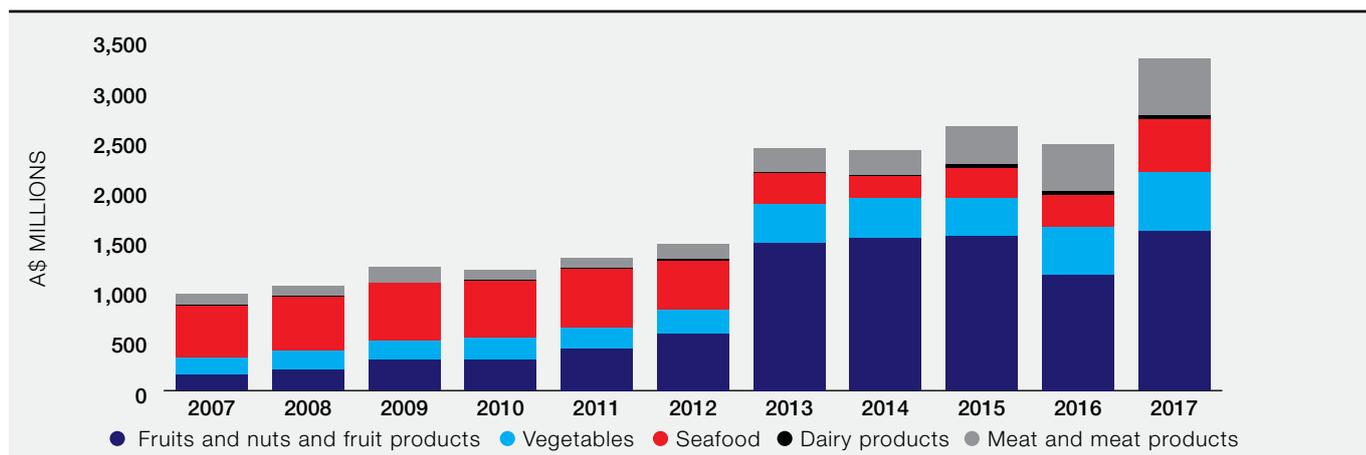
4. Australian Government, Inquiry into National Freight and Supply Chain Priorities, Supporting Paper #1, Air Freight, 2018.

5. https://www.apf.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/China

6. DFAT, Australia's Merchandise Exports and Imports. Includes trade with Hong Kong and Macau SARs.

Typically, major Australian exports to China have comprised natural resources such as coal, iron ore and other unprocessed minerals. However, whilst exports of these products have grown strongly as China's industrialisation and urbanisation have driven demand for mining commodities, there has also been strong growth in demand for agricultural and fishery products, such as meat, dairy and seafood, in both processed and unprocessed form. Over the decade from 2007 to 2017, Australian exports of agricultural and fishery products to China have increased at a CAGR of 13.1%, with particularly strong growth in exports of meat and meat products (26.1% CAGR) and fruits and nuts (18% CAGR).⁷ Many of these products are perishable, driving demand for air freight.

FIGURE 3: AUSTRALIAN EXPORTS OF FOOD PRODUCTS TO CHINA, 2007 TO 2017



Source: Department of Foreign Affairs and Trade (DFAT), Australia's Merchandise Exports and Imports. Includes trade with Hong Kong and Macau SARs.

2.4.2 Market Drivers

A number of factors are combining to significantly stimulate merchandise trade between Australia and China.

Increased Freight Capacity

Air freight capacity between Australia and China has increased significantly in recent years, largely resulting from the significant growth in airline passenger volumes between the two countries, as well as increased air freight demand, which has led airlines to establish new routes and expand capacity on existing routes. The majority of air freight is carried on scheduled passenger services, and hence an increase in scheduled services between Australia and China provides additional capacity for air freight.

An Open Skies agreement was signed in December 2016, removing previous capacity constraints on Chinese airlines operating into Australia, and has allowed direct access from second-tier Chinese cities to Australia. Almost 20 Chinese cities are now served by flights to and from Australia. By February 2018, passenger airlines flying direct between Australia and China included Air China, Beijing Capital Airlines, China Eastern Airlines, China Southern Airlines, Hainan Airlines, Qantas, Sichuan Airlines, Tianjin Airlines and Xiamen Airlines.⁸

In 2017, China (excluding Hong Kong and Macau SARs) was Australia's fourth largest airline partner by passenger volume, with 15,381 flights transporting 3.19 million passengers. In 2012, China was the ninth largest airline partner by passenger volume, with 7,005 flights transporting 1.44 million passengers. In five years, flight numbers have increased by 120% and passenger volume by 121%.⁹

FIGURE 4: TOTAL FLIGHTS AND PASSENGERS, AUSTRALIA AND CHINA, 2012 AND 2017

	2012	2017
Flights	7,005	15,381
Passengers (millions)	1.44	3.19

Source: BITRE, International Airline Activity, accessed June 2018. Excludes Hong Kong and Macau SARs.

7. DFAT, Australia's Merchandise Exports and Imports. Includes trade with Hong Kong and Macau SARs.

8. BITRE, International Airline Activity, accessed June 2018.

9. Ibid.

Section 2 – Industry Overview continued

In addition to scheduled passenger services, air freight can also be transported on dedicated cargo aircraft. In February 2018, three cargo carriers (Federal Express, Polar Air Cargo and UPS) offered dedicated cargo flights between Australia and China. Total outbound air freight to China carried by these dedicated cargo operators reached almost 21,000 tonnes in 2017, an increase from 482 tonnes in 2012.¹⁰

FIGURE 5: OUTBOUND AIR FREIGHT, AUSTRALIA TO CHINA, DEDICATED CARGO CARRIERS, 2012 AND 2017

	2012	2017
Air Freight (tonnes)	482	20,662

Source: BITRE, International Airline Activity, accessed June 2018. Excludes Hong Kong and Macau SARs.

Reduced Tariffs

The China-Australia Free Trade Agreement (**ChAFTA**) entered into force in 2015. This significantly reduces tariffs and other barriers for Australian merchandise exports to China, across a range of sectors. Some examples of the reduced tariffs in the agricultural commodities sector are listed below. These reductions are likely to continue to stimulate demand for Australian agricultural commodities in China, including products that are normally perishable.

TABLE 1: IMPACT OF CHAFTA ON AUSTRALIAN EXPORTS OF AGRICULTURAL COMMODITIES

Product	Comments
Dairy	All tariffs on Australian dairy products (up to 20%) are being eliminated between 1 January 2019 and 1 January 2026 – this includes rapid elimination of the 15% tariff on infant formula and the 10-19% tariff on ice cream, lactose and casein, both by 1 January 2019
Seafood	Tariffs on all seafood exports are being eliminated by 1 January 2019 – this includes progressive elimination of the 14 and 15% tariffs on fresh abalone and rock lobster, respectively, by 1 January 2019
Beef	Tariffs (currently ranging from 12-25%) are being eliminated by 1 January 2024
Pork	All pork tariffs (up to 20 %) are being eliminated by 1 January 2019

Source: DFAT, accessed from <http://dfat.gov.au/trade/agreements/in-force/chafta/fact-sheets/Pages/quick-guide-agriculture-and-processed-foods-outcomes.aspx>

Growth of Middle-class Consumption in China

Economic growth and urbanisation in China is stimulating the rapid growth in the size of China's urban middle-class, which is stimulating demand for higher value products often imported from overseas. In the case of Australia, this is manifesting in rapidly growing demand for processed and unprocessed food and related products, such as dairy, meat, seafood and wine. Between 2012 and 2022, the number of affluent and upper middle-class households in China is forecast to increase from 44 million to 225 million.¹¹

Growth in Cross-border eCommerce

Cross-border eCommerce (**CBEC**) relates to the online purchase of goods by Chinese consumers from overseas vendors, with merchandise shipped into China from overseas, or from stock held by the vendor in bonded warehouses in China. Rapid growth in use of CBEC is causing significant growth in the volume of merchandise shipped into China. Over recent years, the use of CBEC by Chinese consumers has increased significantly, facilitated by marketplace platforms such as TMall Global, Netease Koala and JD Global which enable overseas vendors to set up online stores targeting Chinese consumers. Between 2012 and 2018, total expenditure (gross merchandise value or GMV) on CBEC by Chinese consumers is estimated to have increased at a CAGR of 40%, to reach \$105 billion in 2017 and a forecast \$128 billion in 2018.¹² In context, this is approximately five times Australia's total eCommerce expenditure in 2017.¹³

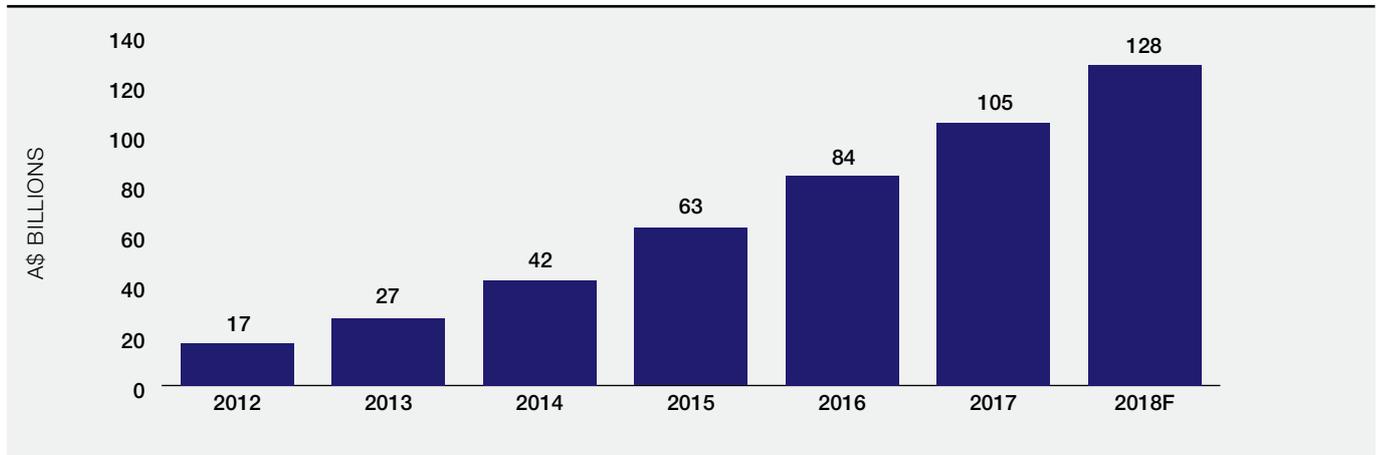
10. Ibid.

11. McKinsey, Mapping China's Middle-class (accessed from <https://www.mckinsey.com/industries/retail/our-insights/mapping-chinas-middle-class>).

12. 2017 TMall Annual Global Consumers Report. Converted from RMB at an exchange rate of A\$1 = RMB 4.85 (13 June 2018).

13. Australia Post, Inside Australian Online Shopping, 2018. Total expenditure estimated at \$21.3 billion.

FIGURE 6: CROSS-BORDER ECOMMERCE EXPENDITURE, CHINA, 2012 TO 2018F

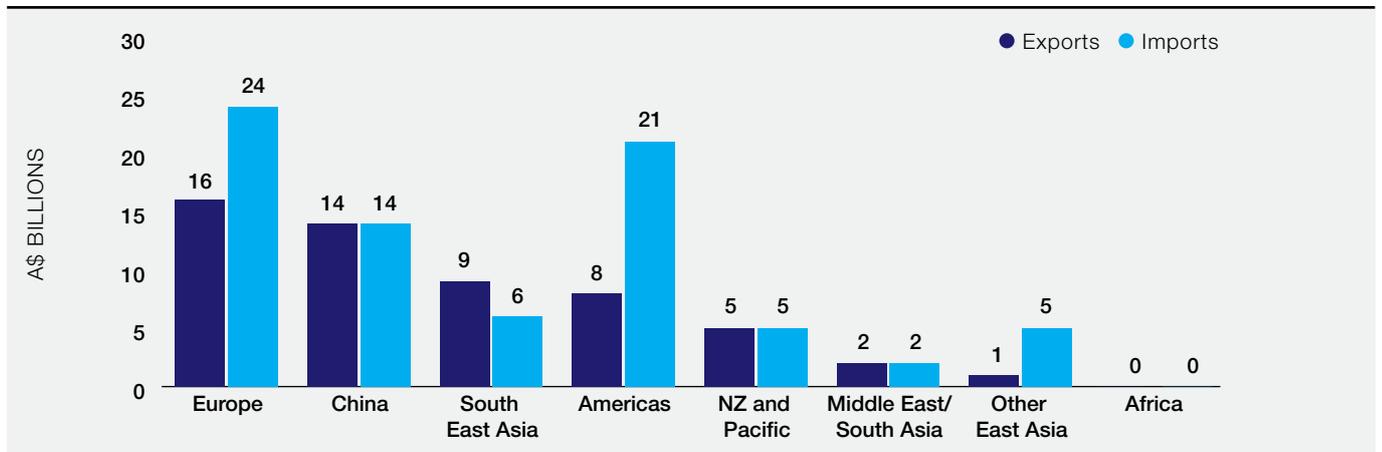


Source: 2017 Tmall Annual Global Consumers Report. Converted from RMB at an exchange rate of A\$1 = RMB 4.85 (13 June 2018).

2.4.3 Air Freight

Air freight accounts for a small percentage of Australia’s total international trade by volume, but a much higher percentage by value, reflecting the fact that air freight is typically used for low weight but high value merchandise. In 2017, air freight comprised only 0.1% of Australia’s total international trade by weight but 21% by value, with a total value of international air freight shipments of \$131 billion. China is Australia’s second largest air freight export destination, and third-largest air freight import origin market, with the total value of air freight exports and imports \$27.5 billion in 2016.¹⁴

FIGURE 7: AUSTRALIAN AIR FREIGHT EXPORTS AND IMPORTS BY REGION BY VALUE, 2016



Source: Australian Government, Inquiry into National Freight and Supply Chain Priorities, Supporting Paper #1, Air Freight, 2018. China includes Hong Kong and Macau SARs.

14. Australian Government, Inquiry into National Freight and Supply Chain Priorities, Supporting Paper #1, Air Freight, 2018.

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Exports to China are even more dominated by sea freight in volume terms than the average, with air freight accounting for only 0.01% of export freight volume in 2015. However, by value, air freight accounted for around 16% of total exports to China.¹⁵

TABLE 2: AUSTRALIAN FREIGHT EXPORTS TO CHINA, 2010 AND 2015

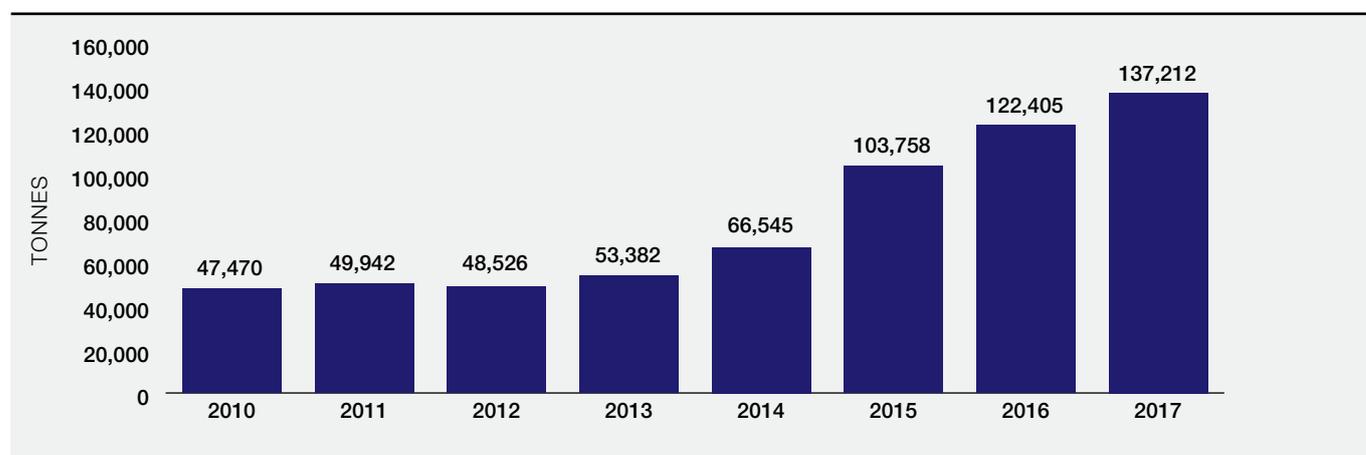
	2010	2015	CAGR
Sea freight (million tonnes)	361	775	16.5%
Air freight (tonnes)	47,470	103,758	16.9%
Sea freight (\$ billions)	51	74	7.7%
Air freight (\$ billions)	N/A	14	N/A
Air freight as percentage of volume	0.01%	0.01%	N/A
Air freight as percentage of value	N/A	16%	N/A

Sources: BITRE, Australian Sea Freight, 2014-15 and BITRE, International Airline Activity, accessed June 2018. China includes Hong Kong and Macau SARs.

Between 2010 and 2017, total air freight volume to and from Australia and all other global destinations / origins increased at a CAGR of 4.6% to reach 1.1 million tonnes in 2017. The strongest growth has been in air freight exports, which increased at a CAGR of 8.2% over this period, compared to 2.0% for air freight imports.¹⁶ Perishable items are the largest category of exports, representing 59% of air freight exports by weight.¹⁷

Air freight volume between Australia and China has grown significantly faster than the global total. Total air freight between Australia and China reached 244,000 tonnes in 2017, or 22% of total air freight. The strongest growth has been in air freight exports, which have increased at a CAGR of 16.4% between 2010 and 2017. This compares to overall air freight growth of 8.2% over the same period. In 2017, China accounted for 25% of air freight exports by weight compared to 15% in 2010, and 19% of air freight imports, compared to 18% in 2010.¹⁸

FIGURE 8: AUSTRALIAN AIR FREIGHT EXPORTS TO CHINA BY WEIGHT, 2010 TO 2017



Source: BITRE, International Airline Activity, accessed June 2018. Includes Hong Kong and Macau SARs.

15. BITRE, Australian Sea Freight, 2014-15 and BITRE, International Airline Activity, accessed June 2018. China includes Hong Kong and Macau SARs.

16. BITRE, International Airline Activity, accessed June 2018. China includes Hong Kong and Macau SARs.

17. Australian Government, Inquiry into National Freight and Supply Chain Priorities, Supporting Paper #1, Air Freight, 2018.

18. BITRE, International Airline Activity, accessed June 2018. China includes Hong Kong and Macau SARs.

2.5 Market Opportunity in Nutritional and Other Agricultural Products

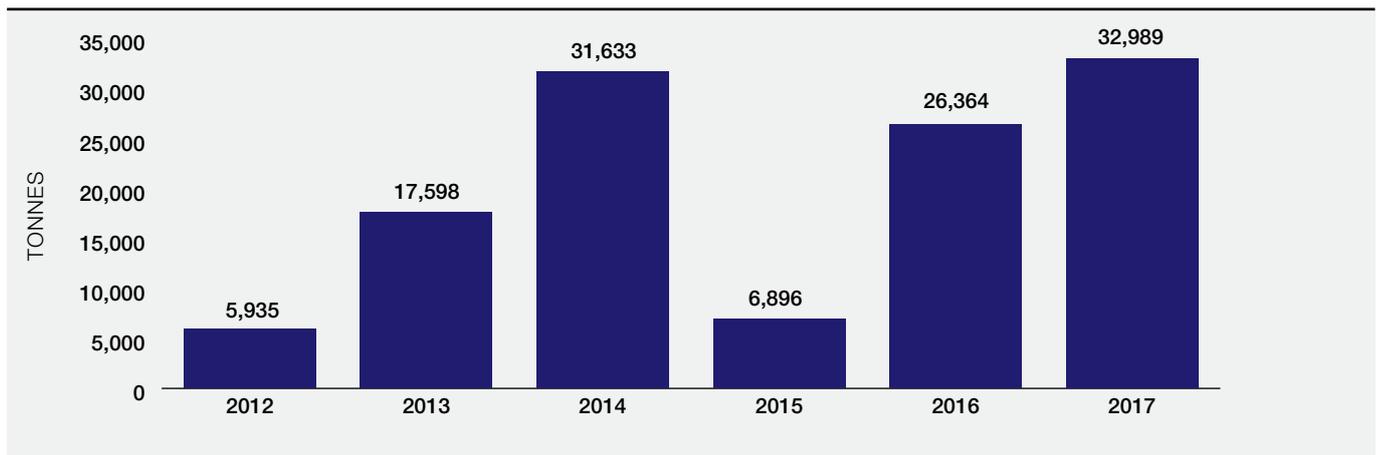
Wiseway's international air freight export business has largely focused on exports of infant formula and other nutritional products, often shipped on behalf of daigous. The Company is now broadening its activities to include export of other merchandise to China, particularly perishable food products, such as fresh and chilled meat, seafood, fruits and dairy products such as fresh milk, cheese and yoghurts. The opportunity for exports of infant formula and nutritional products is likely to continue to grow, driven by rising demand in China and a widespread preference for overseas brands.

2.5.1 Market Drivers for Nutritional Products

China is a significant market for Australian-manufactured infant formula. Infant formula is widely used in China, with 71% of Chinese mothers using infant formula once a baby has passed six months of age. Australia and New Zealand are favoured origin countries for infant formula, with 55% of Chinese mothers considering ANZ-sourced infant formula to be natural and 53% safe.¹⁹ Product safety is a major concern for Chinese mothers, particularly following a food safety scandal following the tainting of Chinese-manufactured infant formula with melamine in 2008. Demand is also being stimulated by the increasing number of births in China, largely a result of the relaxation of the One Child Policy in 2015, which has resulted in an increase of almost 2 million births annually.

As a result of these factors, Australian exports of whole milk powder (**WMP**), a category that includes infant formula, have increased from 5,935 tonnes in 2012 to almost 33,000 tonnes by 2017, with a growth in value from \$11m to \$78 million,²⁰ despite a significant downturn in 2015 that resulted from the imposition of new regulatory requirements for infant formula importers by the Chinese government that temporarily significantly reduced imports.²¹

FIGURE 9: AUSTRALIAN EXPORTS OF WMP TO CHINA, 2012 TO 2017



Source: Dairy Australia, Australian Dairy Industry in Focus, 2017. Includes Hong Kong and Macau SARs.

19. <http://www.mintel.com/press-centre/food-and-drink/three-in-four-chinese-mums-feed-their-baby-organic-infant-milk-formula>

20. ABARES, Agricultural Commodities Statistics.

21. Dairy Australia, Australian Dairy Industry in Focus, 2017.

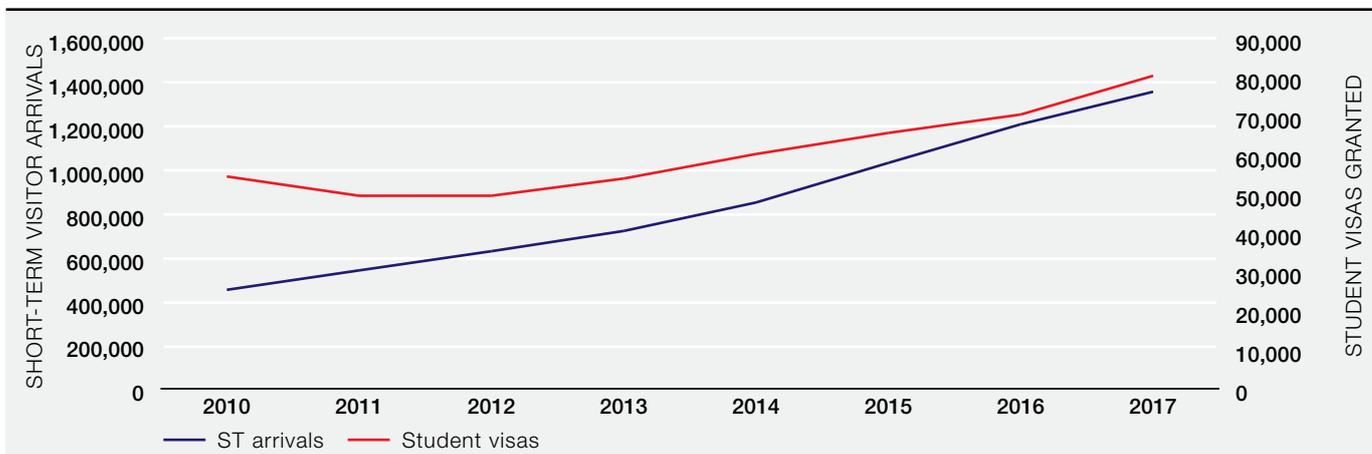
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2.5.2 Daigou Trade

A significant market segment for Wiseway is shipping merchandise from Australia to China on behalf of *daigous*, who purchase products in Australia on behalf of Chinese clients, and then ship the products back to China. *Daigous* include those who work on a professional basis, as well as others who act more informally, buying on behalf of family and friends. The *daigou* trade in Australia is particularly important for product categories such as infant formulae, vitamins and nutritional supplements and skin care products. These are product categories where Chinese consumers place high importance on product quality and provenance of origin, with Australian brands held in high regard.

The number of *daigous* active in Australia is variously estimated at 100,000²² up to 400,000²³ with up to 200 parcels per day being sent back to China, and \$600 million annually spent by *daigous*.²⁴ The *daigou* trade is being stimulated by strong growth in the number of Chinese students in Australia, as well as Chinese migrants. Additionally, many Chinese tourists act as *daigous* during visits to Australia. Between 2010 and 2017, the number of visitor arrivals from China has increased at a CAGR of 17% to reach almost 1.36 million in 2017²⁵, and the number of student visas granted to Chinese nationals has increased at a CAGR of 5.7% to reach over 80,000 in 2017²⁶.

FIGURE 10: SHORT-TERM VISITOR ARRIVALS FROM CHINA AND STUDENT VISAS GRANTED TO CHINESE NATIONALS, 2010 TO 2017



Sources: ABS, Overseas Arrivals and Departures; Australian Government, Study in Australia statistics, accessed June 2018. Data excludes Hong Kong and Macau SARs.

The growth in the *daigou* trade in Australia is creating opportunities for specialist service providers serving this market, including logistics suppliers such as Wiseway, as well as retailers who specialise in the *daigou* market. For example, Australian-based AuMake listed on the Australian Securities Exchange (**ASX**) in 2017. The company has eight outlets currently in major Australian cities, and plans to establish several more.²³

2.5.3 Perishable Products

Exports of perishable products to China are also increasing significantly, particularly for fruit, meat, crustaceans and dairy products such as cheese. This is the result of a number of factors, including improved customs clearance processes, which have reduced import times, growing awareness of Australia as a high-quality producer of fresh food items and marketing efforts by Australian producers, including growing use of online channels. For example, in 2018, new customs protocols were introduced in China which improved access for Australian products including cherries, nectarines, apricots, plums, peaches, table grapes and citrus.²⁷

22. Nielsen, Breaking Borders, Exploring the Daigou opportunity, 2017.

23. AuMake, Investor Roadshow Presentation, 2018.

24. AuMake prospectus, 2017.

25. ABS, Overseas Arrivals and Departures.

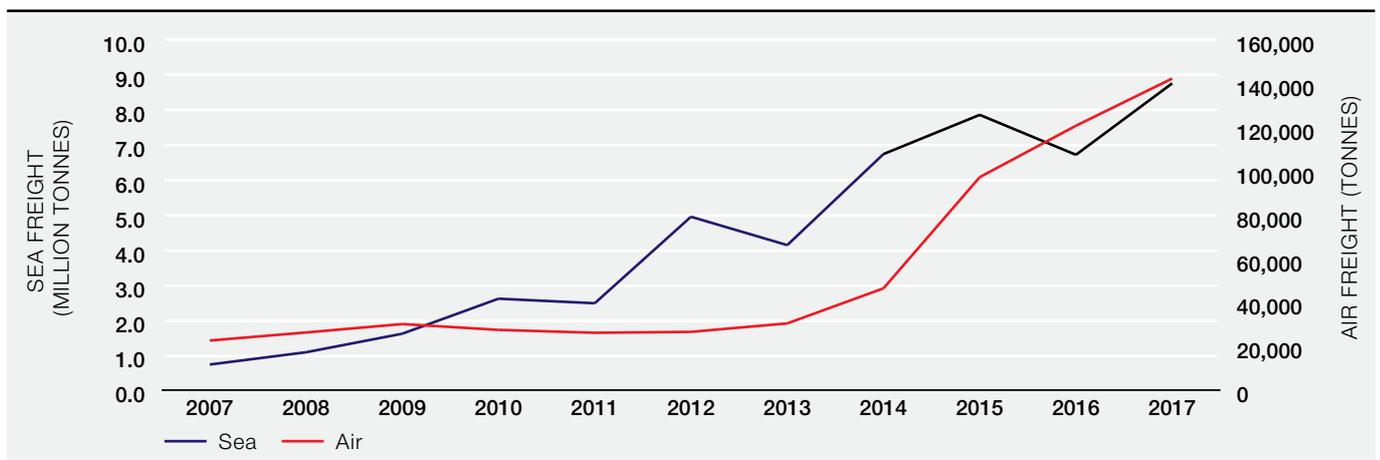
26. Australian Government, Study in Australia statistics.

27. <http://www.agriculture.gov.au/export/controlled-goods/plants-plant-products/ian/2018/2018-01>

Between 2007 and 2017, the total gross weight of Australian agricultural and fishery products exports to China increased from approximately 750,000 tonnes in 2007 to 8.9 million tonnes in 2017, at a CAGR of 28%. By FOB²⁸ value, the total value of Australian agricultural and fishery products exports to China has increased from \$1.28 billion in 2007 to \$7.73 billion in 2017, a CAGR of 19.7%.²⁹

In 2017, sea freight accounted for 98% of Australian agricultural and fishery products exports to China by weight with exports of 8.76 million tonnes, compared to 142,000 tonnes (including trans-shipped products) for air freight. Sea freight accounted for 67% by FOB value (\$5.19 billion out of \$7.73 billion), reflecting the fact that air freight is typically used for high value but relatively light weight products.³⁰

FIGURE 11: AUSTRALIAN EXPORTS OF AGRICULTURAL AND FISHERY PRODUCTS TO CHINA, BY MODE OF TRANSPORT, 2007 TO 2017



Source: ABS, International Merchandise Trade, Customised Table. Includes Hong Kong and Macau SARs. Data is for SITC codes 001 to 098.

2.6 Market Opportunity for eCommerce Imports

Wiseway is increasing its focus on managing air freight imports to Australia originating in China, particularly the growing volume of eCommerce deliveries that are shipped from China to Australia. This results from the growing use of CBEC by Australian consumers, including purchases made from Chinese marketplace platforms that connect Chinese vendors with international consumers, such as AliExpress, a subsidiary of Alibaba. AliExpress is an eCommerce platform that primarily allows Chinese vendors to sell online to international consumers. In 2017, AliExpress was reported as having 60 million active users in 220 countries, and generated total global sales of US\$10.1 billion.³¹

Whilst Chinese eCommerce buyers are most commonly sourcing merchandise categories such as nutritional and healthcare products from Australia, Australian online shoppers are more commonly buying merchandise such as fashion, electronics, gifts and accessories from Chinese vendors.

In 2017, Australian consumers spent \$21.3 billion online, an increase of 18.7% over the previous year. Fashion is the largest single category, at 35.6% of total online purchases, followed by homewares & appliances (11.1%), and health & beauty (7.3%). About 20% (\$4.3 billion) of all eCommerce purchases by Australians are estimated to be from overseas vendors, however this varies substantially by product category, with toys, department stores and fashion having the largest share of eCommerce purchases from overseas vendors.³²

28. Free on board.

29. Customised data from ABS, 2018. Includes all merchandise in SITC codes 001 to 098.

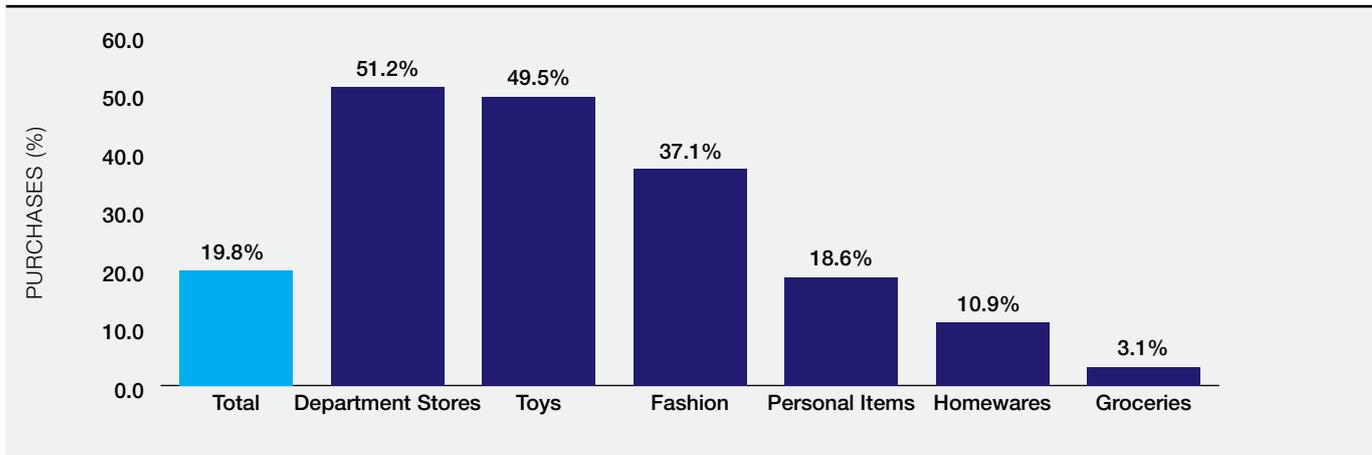
30. Customised data from ABS, 2018.

31. Alibaba annual report, 2017.

32. NAB, Online Sales Index, In-depth Report, March 2017.

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FIGURE 12: SHARE OF ECOMMERCE PURCHASES FROM OVERSEAS VENDORS, 2017



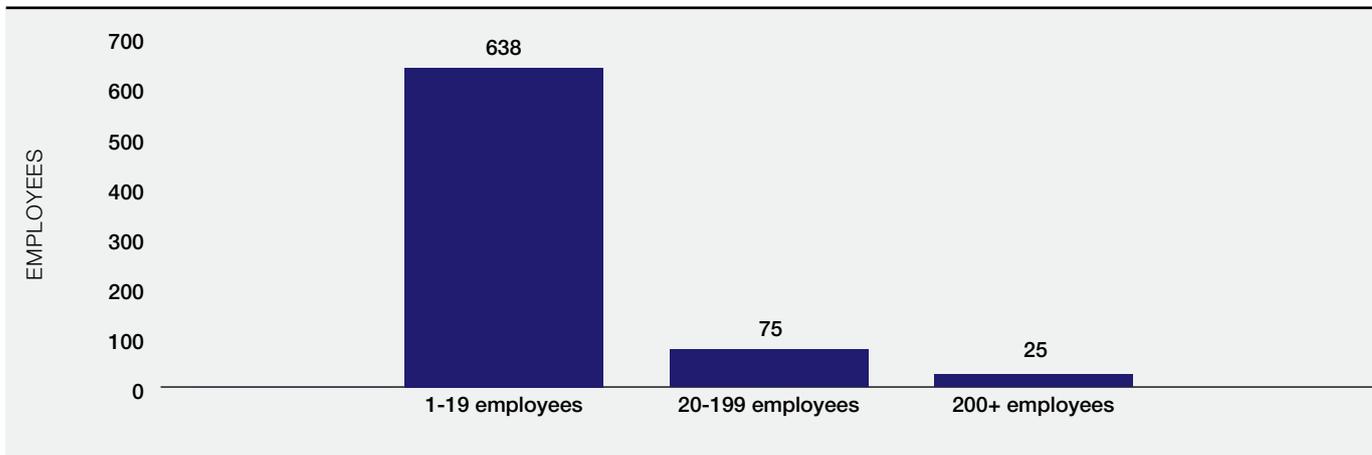
Source: NAB, Online Sales Index, In-depth Report, March 2017.

2.7 Competitive Landscape

2.7.1 Overview

The freight forwarding industry is relatively fragmented, however, with over 120 employees and contractors Wiseway is one of the larger businesses operating in Australia. In June 2017, there were 738 operational freight forwarding businesses. 42% of these businesses are located in NSW. Most freight forwarding businesses are small, with only 100 having 20 or more employees. 164 businesses have revenue greater than \$10 million.³³

FIGURE 13: NUMBER OF OPERATING FREIGHT FORWARDING BUSINESSES BY NUMBER OF EMPLOYEES, 2017



Source: ABS, Counts of Australian Businesses, June 2017. Only includes businesses with at least one employee.

³³ ABS, Counts of Australian Businesses, June 2017. Only includes businesses with at least one employee.

Large freight forwarding businesses in Australia in addition to Wiseway include DHL Global Forwarding, Kuehne + Nagel, Seafrigo Australia, Mainfreight and C.T. Freight. Summary data on these companies is given below.

TABLE 3: SUMMARY OF LEADING FREIGHT FORWARDING BUSINESSES, AUSTRALIA, 2018

Company	Ownership	Comments
DHL Global Forwarding	Division of DHL, subsidiary of Deutsche Post (Germany)	Operates 7 offices in Australia. Revenue \$546 million in 2016
Kuehne + Nagel	Subsidiary of Kuehne + Nagel Group (Germany)	5 offices in Australia. \$410 million revenue (2017). 530 employees
Seafrigo Australia	Subsidiary of Seafrigo Group (France)	Specialises in food logistics. \$54 million revenue (2017). 60 employees
Mainfreight	Subsidiary of Mainfreight (New Zealand)	Offers managed warehousing and international and domestic freight forwarding. \$623 million revenue (2018). 11 offices in Australia covering international freight forwarding
C.T. Freight	Privately-owned	6 offices in Australia and 4 international offices

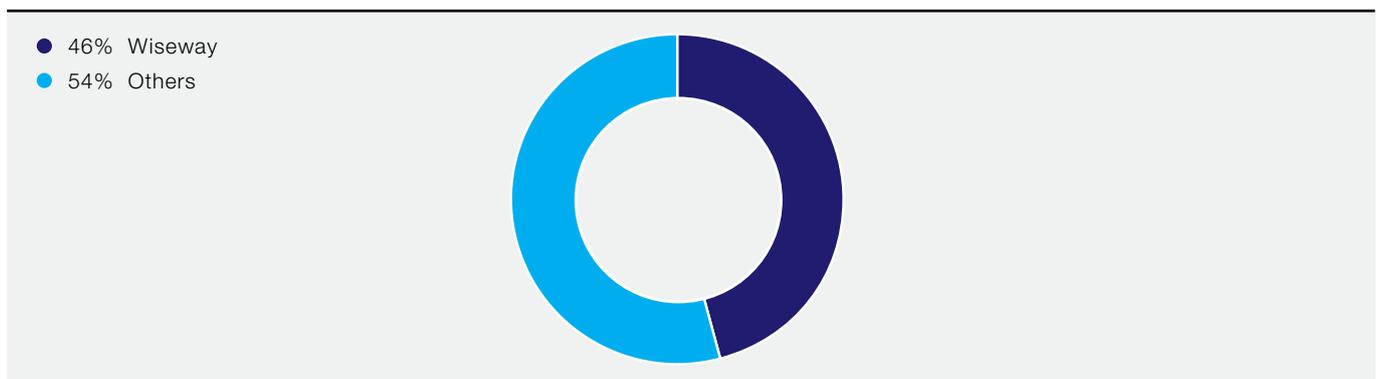
Source: company websites and financial reports.

2.7.2 Wiseway Market Share

In 2017, Wiseway managed approximately 68,500 tonnes in air freight exports,³⁴ the vast majority of which was transported to China, including to the Hong Kong SAR. Wiseway is the third-largest air freight exporter from Australia to all global destinations.³⁵

However, Wiseway has a much higher market share in its target market of China. Based on total air freight exports to China (including Hong Kong SAR) in 2017 of 137,000 tonnes,³⁶ Wiseway is estimated to have a 46% share of Australian air freight exports to China.

FIGURE 14: WISEWAY MARKET SHARE, AUSTRALIA TO CHINA (INCLUDING HONG KONG SAR) AIR FREIGHT EXPORTS, 2017



Source: calculated based on Wiseway data and BITRE, International Airline Activity, accessed June 2018.

If air freight to Hong Kong SAR is excluded, Wiseway air freight volume to China was approximately 56,000 tonnes³⁷, giving a market share of approximately 70% of total air freight volume of 80,200 tonnes to China excluding Hong Kong SAR.³⁶

34. Data from Wiseway.

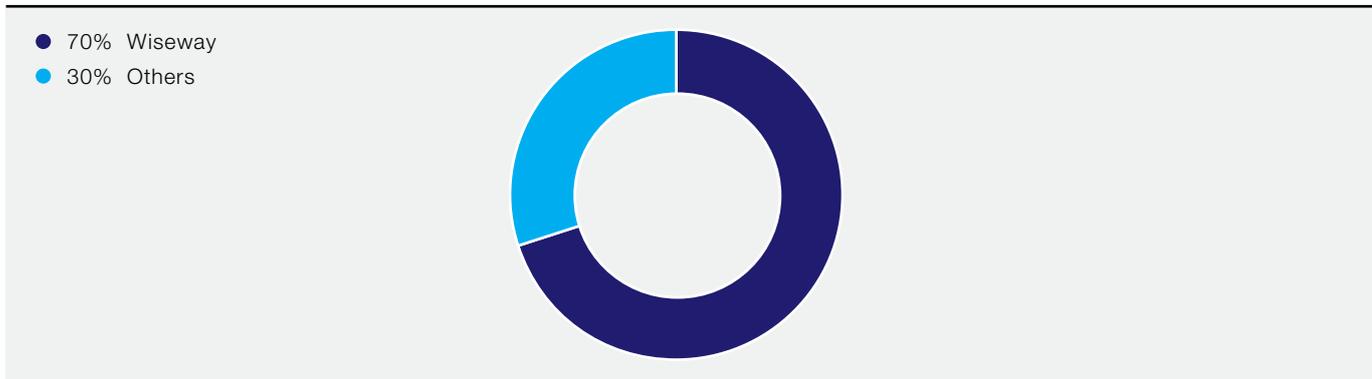
35. IATA, CargoMS Market Focus, 12 months rolling, January 2018.

36. BITRE, International Airline Activity, accessed June 2018.

37. Wiseway data.

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FIGURE 15: WISEWAY MARKET SHARE, AUSTRALIA TO CHINA (EXCLUDING HONG KONG SAR) AIR FREIGHT EXPORTS, 2017



Source: calculated based on Wiseway data and BITRE, International Airline Activity, accessed June 2018.

2.7.3 Basis of Competition

Logistics services providers specialising in international freight seek to differentiate themselves on a number of factors, as summarised below:

- **Relationships with transport service providers:** logistics services providers seek to develop favourable contractual arrangements with transport service providers, such as commercial airlines. Freight forwarders with licenses issued by IATA (International Air Transport Association) are able to negotiate direct with airlines, establishing contractual arrangements for specific routes. The wider the range of contractual arrangements the service provider has the greater range of options it can offer to clients.
- **Services offered:** logistics services providers typically offer a range of services as part of a complete package offered to clients. These services can include domestic trucking (either in-house or outsourced) for collection from shippers and domestic delivery, storage and warehousing services, including specialist services such as bonded warehouses, customs processing and load consolidation. Additionally, the ability to handle special types of freight (such as perishable items) can also be a differentiating factor.
- **Scale:** service providers that deal with larger freight volumes to specific locations are generally better able to compete on price than smaller providers, due to their ability to negotiate more favourable rates from transport service providers, as well as an enhanced ability to consolidate freight from multiple shippers going to the same destination.
- **Customer service:** customer service levels can be an important differentiator for logistics services providers, such as the ability to provide real-time data on shipment status to clients.

2.8 Conclusion

As a logistics services provider focused on facilitating freight logistics between Australia and China, Wiseway is likely to benefit from continued strong growth in overall freight transported between Australia and China, as well as more specific growth in key market sectors for the Company, including managing air freight merchandise exports on behalf of daigous in key product sectors such as infant formula and nutritional products, and merchandise imports ordered through eCommerce platforms such as AliExpress by consumers resident in Australia and shipped by air freight.

Freight volumes between Australia and China have increased significantly over recent years, with Australia's merchandise exports to China increasing at a CAGR of 15.5% between 2007 and 2017 to reach \$112 billion in 2017. Over the same period, Australia's merchandise imports from China have increased at a CAGR of 7.9% to reach \$65.3 billion in 2017.³⁸ Whilst much of this freight comprises bulk commodities, there has also been significant growth in merchandise such as exports of processed and unprocessed food products. From 2007 to 2017, Australian exports of agricultural and fishery products to China have increased at a CAGR of 28%.³⁹ Many of these products are perishable, driving demand for air freight.

38. DFAT, Australia's Merchandise Exports and Imports. Includes trade with Hong Kong and Macau SARs.

39. Customised data from ABS, 2018.

As a service provider focused on air freight, Wiseway is likely to benefit from the strong growth in this sector of the freight market. Total air freight between Australia and China reached 244,000 tonnes in 2017, or 22% of total air freight. The strongest growth has been in air freight exports, which have increased at a CAGR of 16.4% between 2010 and 2017. In 2017, China accounted for 25% of air freight exports by weight compared to 15% in 2010, and 19% of air freight imports, compared to 18% in 2010.⁴⁰This growth trend is likely to continue, as Chinese demand for items typically transported through air freight, such as perishables, continues to grow.

WiseWay is also able to benefit from increased air freight imports from China to Australia, of which the growth in inbound eCommerce transactions is likely to play a significant part. International purchases already account for around 20% of eCommerce spending in Australia, but this is much higher in product categories such as fashion.⁴¹As Australian consumers increasingly use eCommerce platforms such as AliExpress to purchase online from Chinese merchants, inbound eCommerce volumes are likely to increase.

Although the freight forwarding industry in Australia is fragmented, Wiseway is estimated to have a high market share particularly in outbound air freight from Australia to China. Based on total air freight exports to China in 2017 of 137,000 tonnes,⁴²Wiseway is estimated to have a 46% share of Australian air freight exports to China (including Hong Kong SAR), or 70% if Hong Kong SAR is excluded.

2.9 Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Wiseway Logistics Pty Ltd. and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO.

40. BITRE, International Airline Activity, accessed June 2018. China includes Hong Kong and Macau SARs.

41. NAB, Online Sales Index, In-depth Report, March 2017.

42. BITRE, International Airline Activity, accessed June 2018.

**Company
Overview**

3



3.1 Introduction

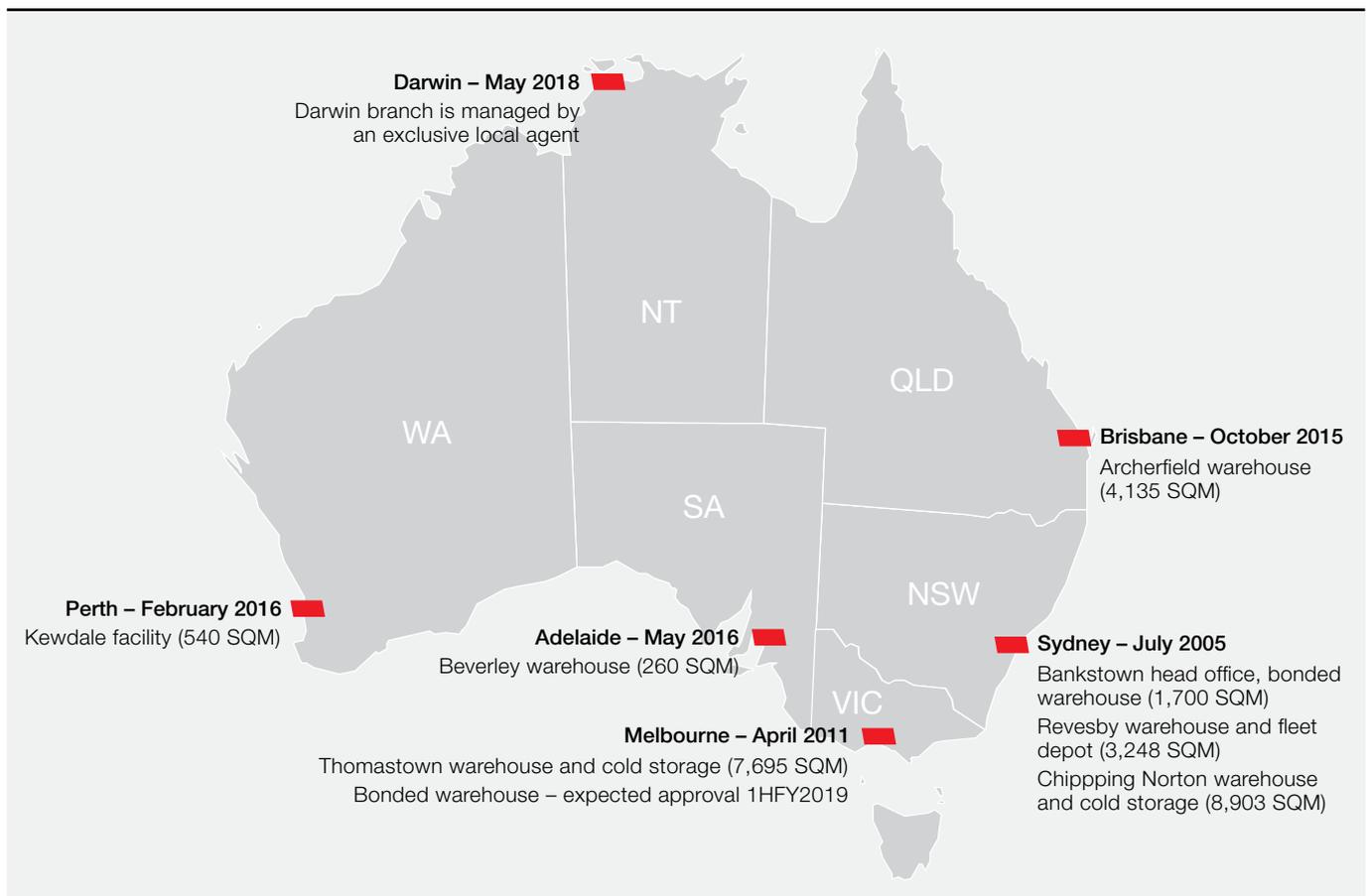
Wiseway is a leading provider of integrated logistics in Australia. Since the Company was established in 2005, Wiseway has grown to become one of the top three outbound air freight logistics providers in Australia due to its specialist focus on Australia and China trade¹.

Wiseway provides air freight, sea freight, import services, domestic transportation, warehousing and customs clearance services, to a large customer base of over 700 business customers across two main segments, general cargo and perishable cargo. General cargo includes infant milk formula, vitamins and health related products, while perishables cargo includes dairy products, meat, seafood and fresh produce. As an IATA agent, the Company has cargo agent relationships and exclusive agreements with most major international airlines and acts as non-exclusive agent to a number of sea freight providers.

Wiseway's customers primarily include wholesalers, suppliers, distributors and eCommerce platforms that require freight logistics between Australia and the Greater China Region. Wiseway's customers also include parcel express companies that leverage Wiseway's international network and purchasing power for port to port transportation services.

The Company is headquartered in Sydney and has a total headcount of approximately 120 employees and contractors across Australia. Wiseway has invested in its asset base to position the Company for future growth by significantly increasing its footprint across all Australian major capital cities and expanding its trucking fleet. Wiseway's facilities comprise eight warehouses and facilities in New South Wales (NSW), Victoria, Queensland, South Australia and Western Australia which includes two cold storage warehouses in NSW and Victoria and a customs bonded warehouse in NSW. All of Wiseway's warehouses are strategically located near major Australian airport and shipping hubs.

FIGURE 3.1: GEOGRAPHICAL PRESENCE OF WISEWAY'S FACILITIES



1. Based on IATA data for all air freight cargo (general cargo, perishables and other).

Section 3 – Company Overview continued

3.2 Company history

The Company was founded in Sydney in 2005 with the vision of becoming the leading logistics provider for outbound and inbound cargo between Australia and the Greater China Region. Wiseway has historically positioned itself as a first-mover in Australia and China trade which has enabled the Company to achieve 70% market share in outbound air freight to mainland China².

In 2009, Wiseway became one of the first Asia-focused IATA agent, to target outbound air freight from Australia to China. By leveraging the growing Chinese demand for Australian milk powder and nutrition products, Wiseway became a leading provider of cross-border logistics services for the daigou market. Wiseway further strengthened its leading position by building strategic partnerships with major international airlines in Australia.

Since 2011, Wiseway expanded its business operations to include warehouse facilities in Melbourne, Brisbane, Perth, Adelaide and Darwin. This expansion has enabled the Company to gain leverage to China's demand for Australian based products on a national scale. Wiseway expanded beyond the daigou market to Australian manufacturers, suppliers, and distributors who export local produce, including fresh dairy products, directly to China. The Company has also benefited from being appointed a General Sales Agent (**GSA**) and Cargo Sales Agent (**CSA**) with a number of major Chinese airlines. In addition, Wiseway is the primary service provider for some of China's largest eCommerce platforms for inbound cargo to Australia.

From July 2017, and in response to China-Australia Free Trade Agreement (**ChAFTA**), Wiseway invested in cold storage facilities in NSW and Victoria to commence its perishable operations. This expansion aims to capture the growing demand in China for Australian perishable products including dairy products, meat, seafood and fresh produce.

As the Company continues to scale, Wiseway has also expanded its services to include sea freight exports, eCommerce imports and road transportation within Australia.

TABLE 3.1: KEY COMPANY EVENTS TIMELINE

Time	Event
July 2005	Wiseway founded in Sydney
May 2009	Started to target Asia as one of the first logistics companies to target outbound air freight to Asia. Wiseway received accreditation from IATA, enabling the Company to act as sales agent to all international airlines
April 2011	Launched the Melbourne branch
October 2011	Approved as a licenced corporate customs broker by the Australian Customs
December 2014	Obtained approval from Australian Customs and Quarantine for Sydney premises to be a customs depot
July 2015	GSA signed with Sichuan Airlines – Melbourne to Chengdu
October 2015	Launched Brisbane branch
December 2015	ChAFTA entered into force Wiseway gained approval from the Department of Agriculture for exporting Australian produced dairy products
May 2016	Launched Adelaide branch
July 2016	Launched Perth branch
July 2016	Xiamen Airlines launch flights to Australia, Wiseway becomes Cargo sales agent of Xiamen Airlines
September 2016	GSA signed with Beijing Capital Airlines – Melbourne to Qingdao route
January 2017	Interstate road transport fleet established for Melbourne to Sydney route to assist with managing air freight capacity
July 2017	Wiseway constructs cold-storage facilities in Sydney and Melbourne
October 2017	Commenced shipping perishable cargo

2. BITRE, International Airline Activity (June 2018) and Company data.

Time	Event
November 2017	GSA signed with Tianjin Airlines – Melbourne to Chongqing route
January 2018	Acquired a majority shareholding in Four Seasons Cargo Pty Ltd which had CSA agreement with China Eastern Airlines GSA signed with Beijing Capital Airlines – Sydney to Qingdao route
March 2018	GSA signed with a key Australian airline – Melbourne to Zhengzhou route
May 2018	Launched Darwin branch GSA signed with Donghai Airlines – Darwin to Shenzhen route

3.3 Overview of business operations and competitive advantages

Wiseway provides an unparalleled integrated logistics service to assist its clients and operates across the following divisions:

TABLE 3.2: OVERVIEW OF WISEWAY'S BUSINESS DIVISIONS

Division	Outbound			Inbound	Domestic Transport
	Air freight General cargo	Air freight Perishables	Sea freight	General cargo and eCommerce imports	Road freight
Description	<ul style="list-style-type: none"> Leading export air freight logistics provider of general cargo, particularly between Australia and China Provides warehouse facilities for general cargo Book air freight space for suppliers, distributors, eCommerce platforms and parcel express companies Provide door to port pick-up service 	<ul style="list-style-type: none"> Entered the perishables export market in July 2017 Export air freight logistics provider of fresh dairy products, live seafood, chilled meat and other fresh Australian produce Provider of cold storage facilities in Sydney and Melbourne Perishable products are delivered to Wiseway's cold storage facilities for packaging in approved storage units which are air freighted to China 	<ul style="list-style-type: none"> Export sea freight services of general cargo to all major destinations Provide door to door pick-up service Provides container pick-up and drop-off services at wharf 	<ul style="list-style-type: none"> Provider of a bonded warehouse facility in Sydney and has another bonded warehouse pending approval in Melbourne Inbound air container break bulk services Clearance, deconsolidation and dispatch of eCommerce parcels Customs clearance and delivery of air freight and sea freight 	<ul style="list-style-type: none"> Interstate and local transport services More than 75 fleet which includes: roller trucks, B-Double trucks, semi-trailers, container trucks and rigid trucks
Contribution to FY2018 revenue	95%			1%	4%

Section 3 – Company Overview continued

Division	Outbound			Inbound	Domestic Transport
	Air freight General cargo	Air freight Perishables	Sea freight	General cargo and eCommerce imports	Road freight
Revenue drivers	<ul style="list-style-type: none"> • Volume tiered pricing (\$/kg) • Documentation fees • Terminal fees 		<ul style="list-style-type: none"> • \$/container • Documentation fees • Cartage 	<ul style="list-style-type: none"> • \$/kg • Cartage • Documentation fees • Customs clearance fees 	<ul style="list-style-type: none"> • \$/pallet or \$/kg
Competitive advantage	<ul style="list-style-type: none"> • 70% market share from Australia to mainland China • Multiple exclusive agreements with major Chinese airlines (GSA) • Extensive space allocations with major international airlines • Economies of scale, resulting in lower costs • Exclusive pricing and space allocation • Supported by large fleet of interstate and local transportation 	<ul style="list-style-type: none"> • Ability to deliver perishable products to Asia-Pacific customers within 24 hours • Provides cross-selling opportunities with general cargo customers • Unique relationships with key perishables buyers in China • 2,000 square metres of fully functional cold storage facilities with variable temperature controls • Experienced perishables operators, hired directly from industry • GSA agreements with major Chinese airlines • Extensive space allocations with major international airlines 	<ul style="list-style-type: none"> • Integrated logistics solution enabling at door pick-up, warehouse storage, and arrangement, packing and transportation of containers • 20,000+ SQM of storage and container yard facilities 	<ul style="list-style-type: none"> • In-house licensed Customs brokers to enable efficient customs clearance • Internally operated Customs depot and Quarantine Approved facilities in Sydney • Advanced Electronic Data Interchange (EDI) System 	<ul style="list-style-type: none"> • Extensive on-selling opportunities with captive manufacturers and suppliers to distribute products domestically • Low interstate transport cost supported by required interstate air freight transfers

Division	Outbound			Inbound	Domestic Transport
	Air freight General cargo	Air freight Perishables	Sea freight	General cargo and eCommerce imports	Road freight
	<ul style="list-style-type: none"> Ability to assist clients with cultural and language aspects of conducting cross-border trade Profound understanding and flexibility to adapt to Chinese government policy Established and deep working relationships with local Chinese clearance agents across multiple destinations All of Wiseway's warehouses are strategically located near major Australian airport and shipping hubs 				
Operations staff	Total ~120 employees and contractors across different business divisions				
Future growth	<ul style="list-style-type: none"> Strong organic growth in Sydney and Melbourne Continue to expand operations in Brisbane, Adelaide, Perth and Darwin International expansion opportunities 	<ul style="list-style-type: none"> Increase market share of perishables Provide cold storage facilities in Brisbane, Adelaide and Perth 	<ul style="list-style-type: none"> Investment in container trucks to achieve greater economies of scale 	<ul style="list-style-type: none"> Melbourne bonded warehouse pending approval Future development of customs depots across major Australian capital cities 	<ul style="list-style-type: none"> Organic expansion of fleet to support inbound and outbound activities

3.4 Competitive positioning

Wiseway is strategically positioned as a leading integrated logistics provider of outbound and inbound cargo between Australia and China.

- Strategic relationships with airlines: Wiseway has long-standing relationships with major international airlines, particularly on Australia to Asia routes. For example, in 2017 Wiseway won the China Southern Airlines Award for the 'Top Freight Forwarder' in Australia. Furthermore, Wiseway has been appointed GSA and CSA for major Chinese airlines.
- Long-standing customer partnerships: Wiseway has supported the growth of many supplier, distributors, eCommerce platforms and parcel express companies from infancy to established market players. As a result, Wiseway has numerous established customers, who have been using the Company's services for more than five years.
- Unique understanding of market needs: Wiseway has a unique understanding of the daigou market, infant formula demand from China, the dynamic of Chinese import Customs policies and the China-Australia cross-border eCommerce ecology.

Wiseway has a nation-wide footprint, with a presence in six major Australian capital cities. This places Wiseway in a position to attract large suppliers, distributors and parcel express companies who require multi-city services.

Wiseway provides a one-stop shop for integrated logistics services, providing services in export air freight, perishables, sea freight, customs clearance, warehousing, import eCommerce, and domestic transportation.

3.5 Management's expertise and relationships

Wiseway's Founders have over 20 years experience in the logistics industry in both Australia and China. The expertise that Wiseway has accumulated has enabled the Company to develop long-standing successful partnerships with key customers. Due to the Founder's unique cultural background, Wiseway has established deep working relationships with clients who regularly trade with China and local Chinese clearance agents across multiple destinations.

Wiseway's perishables team is lead by a well credentialed senior management that have more than 25 years experience in the perishables freight industry.

Wiseway has also developed strategic relationships with most major international airlines and sea freight providers.

Section 3 – Company Overview continued

3.6 Air freight

Wiseway provides export and import air freight services for both general cargo and time sensitive perishables cargo in the Asia-Pacific region, however predominantly between Australia and China. Wiseway's air freight services include door-to-airport, airport-to-airport, import and bulk shipments, inbound break bulk, dangerous goods, time sensitive shipments, documentation handling, processing and pick-up, packing and crating. Wiseway has extensive space allocations with all major international airlines.

FIGURE 3.2: WISEWAY TOTAL AIR FREIGHT SHIPPED (TONNES)³

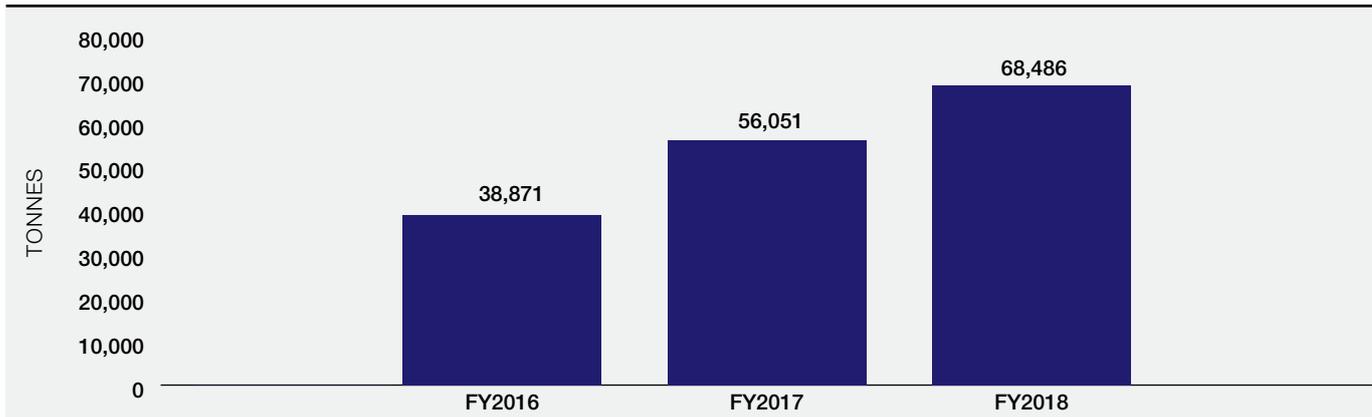
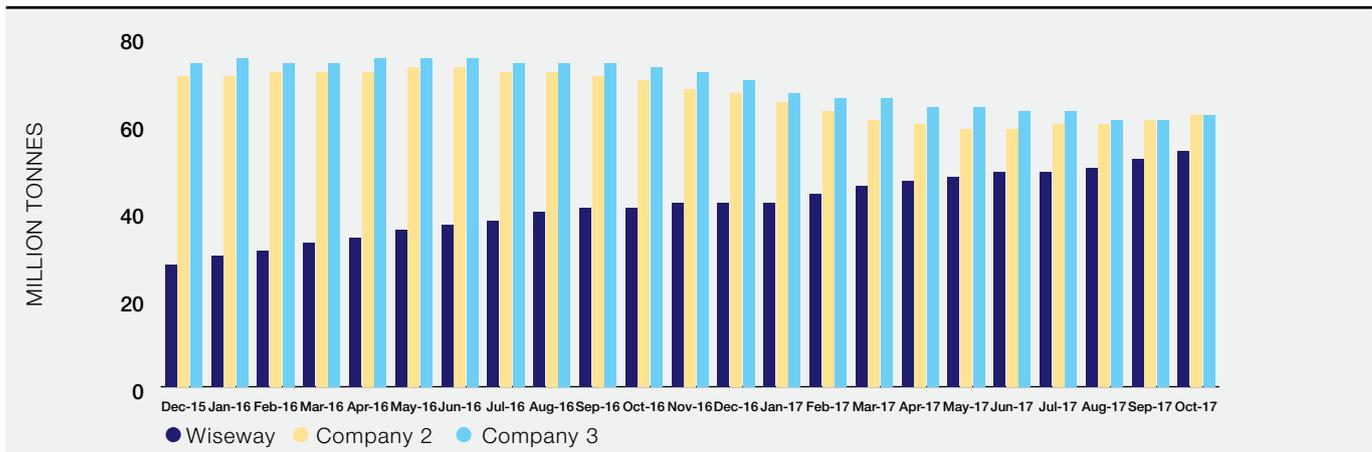


FIGURE 3.3: TONNAGE OF TOP 3 AIR FREIGHT EXPORT COMPANIES (ROLLING LTM EXCLUDING NON-IATA VOLUME)⁴



3.6.1 Business model

Wiseway engages with both the airline carrier and the customer looking to distribute products to an arranged buyer at the destination. Wiseway's customers typically request cargo space from a week to a month in advance. Air freight revenue is comprised of the following three components:

- **Freight charge:** Charge to the customer for the total weight of the shipment. The customer is typically priced on a tiered dollar per kilogram (**\$/kg**) basis at a margin above the tiered **\$/kg** cost price from the airline carrier to Wiseway. The tiered pricing structure reduces the **\$/kg** charged if the total weight per shipment reaches certain thresholds. Prices are reviewed by airline carriers on an ad-hoc basis and Wiseway typically passes price changes to the customer. Prices vary by destination, carrier and volume.

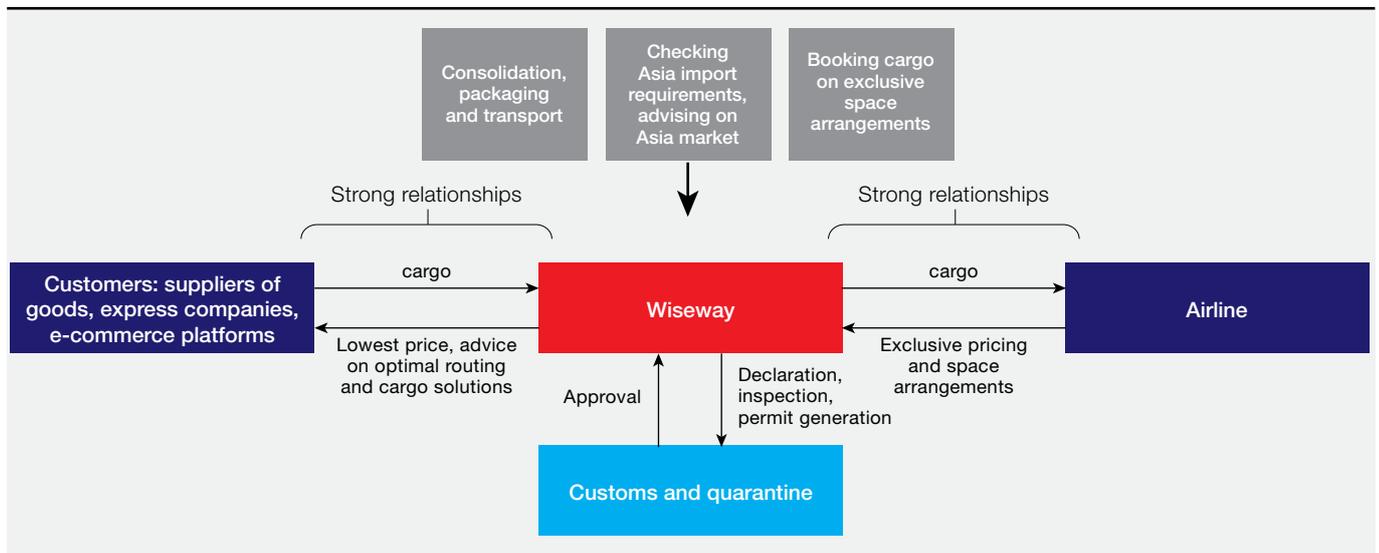
Perishables typically incur a higher freight charge per kilogram given the shipments are more time-sensitive.

- **Terminal charge:** Wiseway charges for handling and security costs incurred by the terminal operators for moving the shipment through the terminal onto the cargo hull of the airline. This charge is a disbursement whereby the cost is passed directly onto the customer and no margin is generated by Wiseway.
- **Documentation:** Wiseway typically charges a fixed fee per shipment to the customer for generating an airway bill.

3. Company data

4. Calculations based on Company data and BITRE, International Airline Activity, accessed June 2018.

FIGURE 3.4: AIR FREIGHT BUSINESS MODEL FOR GENERAL CARGO AND PERISHABLES



3.6.2 Agreements, qualifications and licences

Wiseway is an established operator with exclusive and non-exclusive airline agreements. Wiseway also holds all the necessary qualifications and licenses to export general and perishable cargo and importation of general cargo.

Strategic airline partnerships

Wiseway has strong relationships with many of the incumbent international airline carriers and acts as cargo agent. A cargo agent is a non-exclusive relationship between an airline and multiple sales agents, typically more than three. In order to provide services as an air cargo agent, the sales agent must be an accredited member of IATA. Wiseway received its IATA accreditation in 2009 enabling the Company to act as a sales agent to all international airline carriers. Wiseway currently acts as a cargo agent for more than 20 international airline carriers.

Non-exclusive airline agreements

A cargo sales agency (**CSA**) agreement is a non-exclusive arrangement between an airline and multiple sales agents, typically up to three sales agents, to sell cargo space on the airline. Wiseway has two CSA agreements, one of which was acquired by Wiseway when it acquired a majority stake in Four Seasons Cargo Pty Ltd (**Four Seasons**).

Exclusive airline agreements

Wiseway has signed seven general sales agency (**GSA**) agreements with multiple international airlines. A GSA agreement is an exclusive agreement between an airline and a single sales agent to manage and sell cargo space on the airline. A GSA agreement places Wiseway in a strong competitive position to be able to manage its own capacity as well as providing visibility to its competitors as the Company has full discretion on who and what products can utilise the airlines cargo space.

A GSA agreement is typically renewed annually, based on performance, and are priced on a \$/kg or \$/flight basis.

Although the Company has exclusive and non-exclusive airline agreements in place, the majority of Wiseway's FY2018 revenue was generated from strategic airlines partnerships.

Section 3 – Company Overview continued

Table 3.3 below lists all the GSA and CSA agreements, as well as strategic airline partnerships Wiseway has with major international airline carriers as at 30 June 2018. Wiseway has never lost a GSA or CSA agreement.

TABLE 3.3: EXISTING AGREEMENTS AND ARRANGEMENTS WITH AIRLINE CARRIERS

Strategic airline partnerships	CSA	GSA
Air China	China Eastern Airlines (via the acquisition of Four Seasons)	A key Australian airline Melbourne-Zhengzhou
Airasia Sdn Bhd.	Xiamen Airlines	Beijing Capital Airlines Sydney-Qingdao route
All Nippon Airways		Beijing Capital Airlines Melbourne-Qingdao route
Asiana Airlines Inc.		Donghai Airlines Darwin-Shenzhen
Cathay Pacific Airways Ltd.		Sichuan Airlines Co., Ltd Melbourne-Chengdu and Sydney- Chongqing routes
China Airlines		Tianjin Airlines Sydney-Zhengzhou-Tianjin
China Southern Airlines		Tianjin Airlines Melbourne-Chongqing
Emirates		
FedEx		
Garuda Indonesia		
Hainan Airlines Company Limited		
Korean Air Lines Co. Ltd.		
Malaysia Airline System Berhad		
Polar Air Cargo, Inc.		
Qantas Airways Limited		
Singapore Airlines		
Thai Airways International Public Company Ltd.		
UPS		
Vietnam Airlines Corporation		
Virgin Atlantic		

Qualifications and licences

Wiseway is an Australian regulated air cargo agent, an accredited member of IATA and the Australian Federation of International Forwarders. Wiseway has an IATA license for each of its five main facilities in Australia including Bankstown, Thomastown, Beverley, Kewdale and Brisbane. In addition to the Company's IATA licence, Wiseway has obtained all required licences to enable the Company to conduct:

- export of perishable products including dairy, meat, seafood and other fresh Australian produce;
- quarantine inspections, fumigation and other treatment options;
- customs inspections, store held customs cargo and customs matters; and
- all customs clearance matters.

Table 3.4 below provides an overview of the qualifications and licenses the Company has received as at 30 June 2018. Wiseway is required to obtain each of these licences which are renewed on an annual basis.

TABLE 3.4: OPERATING QUALIFICATIONS AND LICENSES

License	Description
	<ul style="list-style-type: none"> • IATA License received by Wiseway nation-wide • Official cargo agent to all international airlines (see table 3.3)
	<ul style="list-style-type: none"> • Establishment License: 2564 (SYD), 8574 (MEL) • Department of Agriculture approved to handle export of meat, dairy, plant, fish, eggs, fruity and grain
	<ul style="list-style-type: none"> • Quarantine Approved Depot License: N2652 • Sydney Melbourne have license to export all commodities (fruits, grains, meat, live seafood) • Department of Agriculture approved to handle quarantine inspections, fumigation and other treatment options
	<ul style="list-style-type: none"> • Australian Customs Depot License: GG71N • Australian Border Security approved to handle inspections, store held customs cargo and handle customs matters
	<ul style="list-style-type: none"> • Australian Broker License: 01877C • Australian Border Security approved to handle all customs clearance matters

3.6.3 Perishables

Wiseway entered the perishables export market in July 2017, engaging in the storage and transportation of perishable products. The Company established a perishables division in response to ChAFTA, which entered into force on 20 December 2015, permitting Australian exports entering China to be duty-free or at preferential tariff rates.

In July 2017, Wiseway obtained approval to export perishables from the Department of Agriculture in which it received a Certificate of Registration of an Export Registered Establishment for its Chipping Norton warehouse in NSW and Thomastown warehouse in Victoria. Since gaining its license and quarantine approved premises, Wiseway utilise its existing warehouse premises and partnerships with airlines to export dairy products, meat, seafood and other fresh Australian produce.

All perishable products are delivered to Wiseway's cold storage facilities, either by the producer or Wiseway, then packaged in Wiseway's own airline approved storage units. Wiseway's storage units are then transported to an airport using Wiseway's roller trucks that enable the storage unit to be driven air side of a plane and be directly lifted from Wiseway's roller truck into the plane and air freighted to China. The Company builds all airline approved storage units in-house which provides Wiseway with additional cost savings.

One of Wiseway's competitive advantages is its ability to gain time sensitive perishable products, such as dairy products, from Australian based manufacturers and deliver to Asia-Pacific customers within 24 hours. This enables Australian based products to be in-store within 48 hours which is likely to then attract a premium price from the consumer.

Figure 3.5 highlights the process Wiseway undertakes for time sensitive Australian based perishable products to be delivered to Asia-Pacific customers within 24 hours.

Section 3 – Company Overview continued

FIGURE 3.5: WISEWAY'S PROCESS FOR PERISHABLE PRODUCTS



3.6.4 Customers and products

Wiseway air freights a range of general cargo and perishable products with distinct customers across each division. An overview of products air freighted by Wiseway is illustrated in Table 3.5 below:

TABLE 3.5: OVERVIEW OF PRODUCTS AIR FREIGHTED BY WISEWAY

General cargo	Perishables
Infant milk formula	Dairy (includes fresh milk, yoghurt and cheese)
Vitamins	Meat
Health products	Seafood (includes salmon and lobsters)
Honey	Fresh produce (includes fruit, cherries and plums)

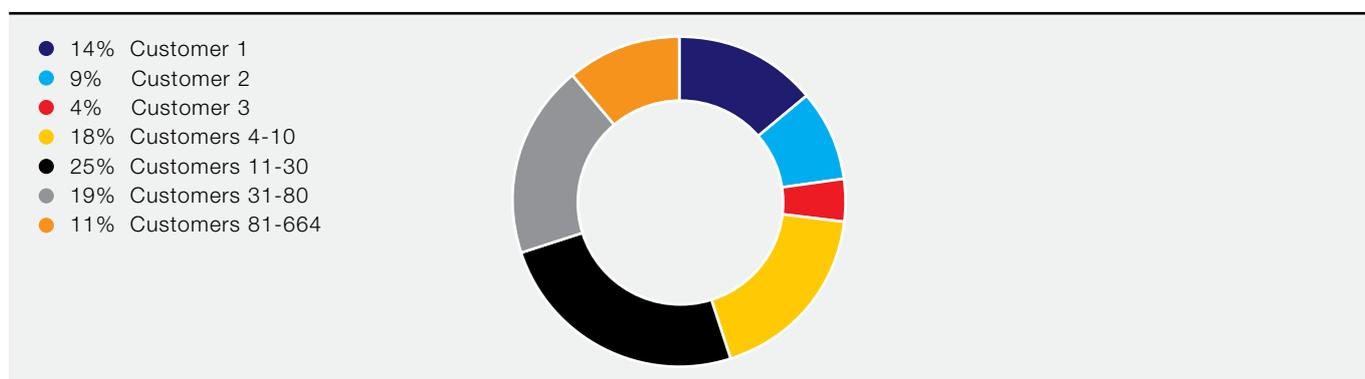
Wiseway categorises its general cargo customers into three broad groups:

1. **parcel express companies** – provide business to consumer parcel fulfilment services for cross-border eCommerce transactions
2. **suppliers and distributors** – suppliers and distributors of products to online and retail stores
3. **eCommerce platforms** – operators of online stores predominantly selling Australian products on eCommerce platforms

Wiseway categorises its perishables customers into two groups:

1. **manufacturers and suppliers** – manufacturers and suppliers of Australian based products including dairy, meat, seafood and fresh produce
2. **wholesalers** – an agent for Australian based products including dairy, meat, seafood and fresh produce

Wiseway services a large customer base of over 700 clients and has developed a track record of forming long-term relationships with its customers. Wiseway's customer base is diversified with the largest customer representing 14% of FY2018 revenue and the top 10 customers representing approximately 45% of FY2018 revenue.

FIGURE 3.6: REVENUE BY CUSTOMER IN FY2018⁵

Growth in revenue has been predominately driven by an increase in Australian infant milk formula, vitamins and health product demand from China. Given the infancy of the Company's perishables division, perishable products have provided only a small contribution to FY2018 revenue. Management expects revenue from its perishables division to increase over time.

3.7 Other business divisions

3.7.1 Sea freight exports

Wiseway commenced the sea freight division in FY2016 to provide export services to all major ports in the Asia-Pacific region, including Hong Kong, Shanghai, Guangzhou and all major cities in China.

The Company transports general cargo such as infant milk formula, vitamins, honey, skin-care products, cereals and wine. Wiseway expects further growth in the sea freight division to be driven by growing trade between Australia and China.

Sea freight revenue comprises of a freight charge to the customer for each container shipped and a sea way bill documentation fee. The customer is priced at a rate depending on the size of the container being shipped. Shipping containers are either 20 foot or 40 foot and Wiseway receives a margin above the shipping container price from the sea freight carrier regardless of the volume utilised in the container. Wiseway acts as an agent on a non-exclusive basis to a number of major sea freight providers.

Wiseway has large warehouse facilities in all major Australian capital cities and acts as a platform for suppliers and customers. This is highly attractive to many B2B sea freight customers who generally do not have a warehouse or do not have the capacity at their own facility to receive large volumes of sea freight cargo. Wiseway also provides an integrated logistics solution enabling at door pick-up, warehouse storage, packing containers, sea freight arrangement and container transportation.

3.7.2 General cargo and eCommerce imports

Wiseway manages inbound air freight to Australia originating in China. The particular focus is working with large distribution companies in China to manage the import of items such as electronics, clothing and fashion items ordered by Australian consumers from eCommerce platforms, particularly Chinese eCommerce platforms, which are then shipped to Australia.

All parcels are currently delivered to Wiseway's approved bonded warehouse which is located in Bankstown, NSW. As a licensed customs broker, the Company organises customs clearance, transportation and distribution services on behalf of the customer. The only transportation performed by Wiseway's fleet of trucks within this segment is between the Company's warehouses. The Company then engages with third party last mile delivery companies to deliver the product to the end-customer.

Wiseway intends to have bonded warehouse facilities in all major Australian capital cities. The Company has an established warehouse in Thomastown, Victoria which is currently awaiting Australian government approval to become a bonded warehouse. Once approval is obtained for the Company's Thomastown warehouse, this will provide additional capacity and an immediate destination for inbound eCommerce cargo. Management expects government approval for its Thomastown warehouse to be obtained in 1H FY2019.

Wiseway has a number of key customers which typically pay on a per parcel or per kilo basis for the services it provides, a documentation fee and terminal fee.

3.7.3 Domestic road freight

Wiseway's trucks run daily between Melbourne and Sydney, Brisbane and Sydney, Melbourne and Adelaide. The primary purpose of Wiseway's road transport service is to add value to the Company's air freight clients, manufacturers and

5. Company data.

Section 3 – Company Overview continued

distributors by providing a door-to-port service and to utilise air space capacity of different origin airports.

Domestic road freight revenue is generated either on a dollar per pallet or dollar per kilo basis.

Wiseway employs a mix of contracted and full-time drivers. Wiseway monitors the performance of its drivers by utilising a GPS tracking system whereby it can see where the trucks are located at any time and also the driver patterns to ensure our high safety and standards are met.

3.8 Wiseway's facilities and geographical presence

Wiseway's facilities are strategically located in NSW, Victoria, Queensland, South Australia and Western Australia. Wiseway's national footprint and a strong geographical presence, with close proximity to major Australian airport and shipping hubs, provides a distinct competitive advantage and ensures the efficient and cost effective servicing of its growing customer base on a national scale. Wiseway has a total of eight general use warehouses, including two cold storage facilities in Chipping Norton (NSW) and Thomastown (Victoria) and one bonded warehouse in Bankstown (NSW). Wiseway is awaiting approval for an additional bonded warehouse in Thomastown (Victoria) and intends to expand the number of bonded warehouses and cold storage facilities in other major Australian capital cities in the near-term to improve its diversified capabilities. Wiseway's modern warehouse facilities and equipment base is a direct result of its long term commitment to re-investment in its asset base.

TABLE 3.6: THE GEOGRAPHICAL PRESENCE OF WISEWAY'S FACILITIES AS AT THE PROSPECTUS DATE

Facilities	Size (m ²)	Capability
New South Wales		
Chipping Norton	8,903	Cold storage and general storage
Bankstown	1,700	Head office, bonded warehouse and general storage
Revesby	3,248	General storage
Victoria		
Thomastown	7,695	Cold storage and general storage*
Queensland		
Archerfield	4,135	General storage
Western Australia		
Kewdale	540	General storage
South Australia		
Beverly	260	General storage

* Pending Australian government approval for bonded warehouse.

3.9 Capital expenditure

Wiseway has a demonstrated track record of investment in the asset base of the business to facilitate future growth. Wiseway has built trust with its customers by ensuring that it has the capacity to meet its customers' requirements in an efficient manner.

Wiseway has also adopted a disciplined approach to the forecast allocation of capital expenditure that aligns with its strategic framework.

3.10 Sales and marketing

Wiseway's sales and marketing strategy is focussed on providing the best service and price to maintain and grow the customer base. As a result, Wiseway has organically attracted new customers via referrals from major international airlines, existing customers and through word of mouth. As Wiseway continues to expand its operations and services, the Company will maintain its current sales and marketing strategy with the assistance of a dedicated sales and customer support team.

3.11 Growth strategy

3.11.1 Track record of organic growth

Wiseway has a track record of delivering growth across multiple segments. This growth has been achieved through the expansion of its national footprint, leveraging its cost base and entering into complimentary and adjacent services, such as perishables.

Wiseway will continue to invest in its facilities and aims to leverage its operational capability and experience to further pursue opportunities that exist for Wiseway in existing and new markets, such as perishables. Wiseway also expects to drive further organic growth through operational improvements to improve margins.

3.11.2 Wiseway's growth strategy

Wiseway's vision is to become the leading specialist logistics provider in the Asia-Pacific region. Wiseway's growth strategy is focussed on three key components:

- **Maintain core growth through** increasing the efficiency of our logistics network and improving our service offering. This will include investment in digital processes and automation to continuously improve client service. Wiseway will also continue to leverage its nation-wide presence to deepen its relationship with key Asian eCommerce platforms and suppliers.
- **Continue to invest in new growth** opportunities that result from increasing demand in the Asia-Pacific region, including outbound perishables from Australia and inbound eCommerce parcels from the Greater China Region.
- **International expansion** in the Asia-Pacific region by leveraging Wiseway's extensive expertise in outbound and inbound air freight, sea freight and existing partnerships with airlines.

Specifically for Wiseway's business units:

1	Export air freight	Wiseway will continue to pursue strong organic growth opportunities in Sydney and Melbourne, and continue to expand in Brisbane, Adelaide, Perth and Darwin. The Company may expand into other Asia-Pacific markets to provide a platform for Wiseway's existing customer base and an ability to pursue new customers.
2	Perishables	Wiseway aims to increase export volumes of perishables products. To facilitate this growth, Wiseway has the ability to expand its perishables division from its Sydney and Melbourne facilities and open additional cold storage locations in Queensland, South Australia and Western Australia.
3	Sea freight	The Company has the ability to increase capacity via sea freight. Wiseway see an opportunity for less time-sensitive products, such as wine, to be sent via sea freight enabling more capacity for time sensitive products, such as perishable products, to be sent via air freight.
4	Inbound eCommerce	Wiseway intends to have customs depots in all major Australian capital cities. Wiseway currently has one bonded warehouse in Bankstown (NSW) and is currently awaiting approval for another bonded warehouse facility in Thomastown, Victoria. The Company will continue to pursue other locations for bonded warehouses in other major Australian capital cities.
5	Road transport	Wiseway will expand its interstate transportation facilities to support pre-air freight and post-air freight logistics.

Section 3 – Company Overview continued

3.11.3 Potential for targeted strategic acquisitions

Although Wiseway has a strong track record of organic growth initiatives, in January 2018, Wiseway successfully acquired 51% of the share capital in Four Seasons. Four Seasons has a CSA with China Eastern Airlines and the strategic acquisition enabled Four Seasons to utilise Wiseway's national footprint and materially improve its operating efficiencies and margins.

A number of sectors Wiseway operate in are highly fragmented. Wiseway may seek to undertake strategic acquisition opportunities across a range of logistics sub-sectors and regions. These opportunities may assist Wiseway to:

- increase volumes and capacity;
- enhance capabilities through the acquisition of companies providing adjacent logistics services; and
- geographically expand, both within Australia and internationally.

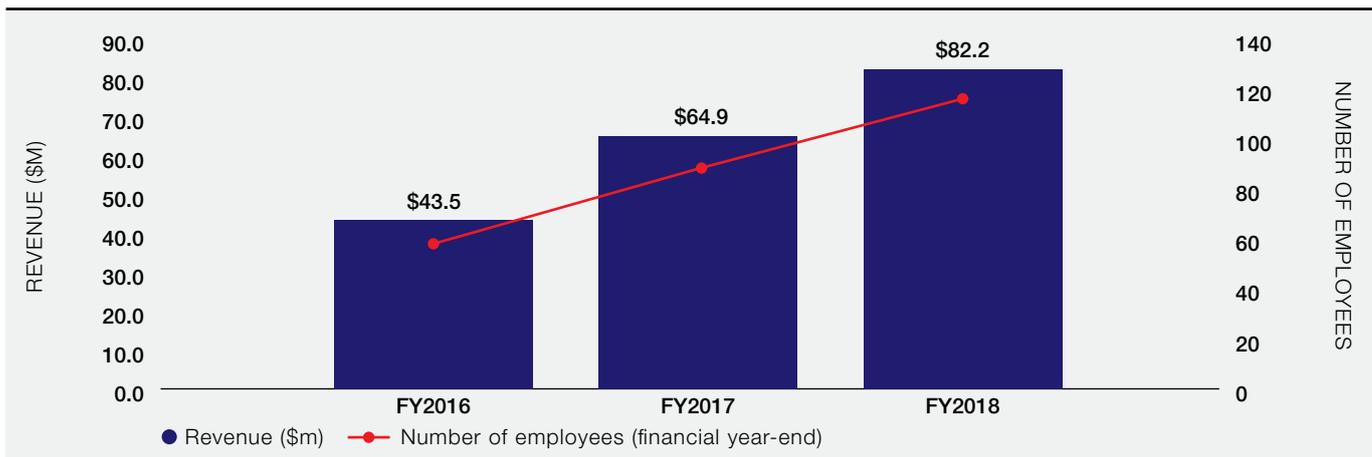
3.12 Employees

3.12.1 Employee base

As at 30 June 2018, Wiseway employed 121 employees and contractors. Of these, 40 were classified as full-time, 26 were classified as casual and 55 were classified as contractors. The large number of contractors were within the road transport division, as well as warehouse handling.

Figure 3.7 below highlights the increase in headcount and growth in revenue.

FIGURE 3.7: WISEWAY GROWTH IN EMPLOYEES AND REVENUE



3.12.2 Workplace health and safety

Wiseway aims to identify, assess and mitigate all aspects of its operational and other safety risks in order to maintain the highest levels of safety and ensuring the health and wellbeing of Wiseway's employees, contractors and visitors. Wiseway is committed to upholding and continuously improving its safety culture by introducing and maintaining best practice in all areas of its business.

Wiseway seeks to implement its policy and procedures by requiring ongoing safety and health information and training to employees, providing and maintaining safe workplace equipment as well as commit adequate resources to meet all statutory safety and health obligations.

3.13 IT Systems

Wiseway utilise a digital platform that is highly scalable. There is a continual focus by the Company to enable customers to easily interact with Wiseway through technology which will remain fundamental to Wiseway's business and their ongoing success. Wiseway's ongoing investment in people, software, research and development will position the Company to remain at the forefront of the China market.

Wiseway's systems are built upon Microsoft® and WiseTech Global Limited's leading cloud solutions based technology which are sufficiently flexible and scalable to enable the Company to provide an integrated logistics solution. Key customer service and operational benefits include:

- Advanced Electronic Data Interchange (EDI) System with major ports, airlines, Customs and Quarantine;
- Automated messaging systems; and
- Integrated shipment management.

Wiseway also has Fleet Management Systems for:

- Live vehicle tracking; and
- Monitoring of compliance and safety requirements (e.g. driver fatigue, defect reporting).



**Financial
Information**

4

4.1 Introduction

4.1.1 Financial Information

The financial information contained in this Section 4 includes historical financial information for the financial years ended 30 June 2016 (**FY2016**), 2017 (**FY2017**) and 2018 (**FY2018**) and forecast financial information for 30 June 2019 (**FY2019**).

This Section 4 contains a summary of:

Historical financial information

- **Statutory Historical Financial Information** comprising:
 - Statutory historical consolidated statements of profit or loss statement for FY2016, FY2017 and FY2018 (**Statutory Historical Annual Results**); and
 - Statutory historical consolidated cash flow information for FY2016, FY2017 and FY2018 (**Statutory Historical Annual Cash Flows**); and
 - Statutory historical consolidated statement of financial position as at 30 June 2018 (**Statutory Historical Statement of Financial Position**).
- **Pro Forma Historical Financial Information** comprising:
 - Pro Forma historical consolidated statements of profit or loss statement for FY2016, FY2017 and FY2018 (**Pro Forma Historical Annual Results**); and
 - Pro Forma historical consolidated cash flow information for FY2016, FY2017 and FY2018 (**Pro Forma Historical Annual Cash Flows**); and
 - Pro Forma historical consolidated statement of financial position as at 30 June 2018 (**Pro Forma Historical Statement of Financial Position**).

(the Statutory Historical Financial Information and Pro Forma Historical Financial Information together, the “**Historical Financial Information**”).

Forecast Financial Information

- **Statutory Forecast Financial Information** comprising:
 - Statutory forecast consolidated statement of profit or loss statement for FY2019F (**Statutory Forecast Annual Results**); and
 - Statutory forecast consolidated cash flow information for FY2019F (**Statutory Forecast Annual Cash Flows**).
- **Pro Forma Forecast Financial Information** comprising:
 - Pro Forma forecast consolidated statement of profit or loss statement for FY2019F (**Pro Forma Forecast Annual Results**); and
 - Pro Forma forecast consolidated cash flow information for FY2019F (**Pro Forma Forecast Annual Cash Flows**).

(the Statutory Forecast Financial Information and Pro Forma Forecast Information together, the **Forecast Financial Information**).

The Historical Financial Information and the Forecast Financial Information are together the **Financial Information**.

4.1.2 Financial Information

Also summarised in this Section 4 are:

- the basis of preparation and presentation of the Financial Information (refer to Section 4.2.1);
- information regarding certain non-IFRS financial measures (refer to Section 4.2.5);
- summary of key Pro Forma operating and financial metrics (refer to Section 4.3.2);
- the Pro Forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (refer to Sections 4.3, 4.4 and 4.5);
- information regarding indebtedness (refer to Section 4.5.2);
- information regarding liquidity and capital resources (refer to Section 4.5.3);
- information regarding Wiseway’s contractual obligations, commitments and contingent liabilities (refer to Section 4.5.4);

Section 4 – Financial Information continued

- quantitative and qualitative disclosures about market risk (refer to Section 4.5.5);
- the general assumptions, the Directors' best estimate assumptions underlying the Forecast Financial Information (refer to Section 4.6);
- a discussion of the key elements of Wiseway's operating results and their drivers (refer to Section 4.7);
- management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (refer to section 4.7);
- an analysis of the sensitivity of the Forecast Financial Information to changes in certain key assumptions (refer to Section 4.8);
- a description of Wiseway's critical accounting policies (refer to Section 4.9); and
- a summary of Wiseway's proposed dividend policy (refer to Section 4.10).

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in Section 4 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview and preparation and presentation of the Financial Information

Until 16 March 2018, the holding company of the subsidiaries that comprise the Wiseway Logistics Consolidated Group was Wiseway Logistics Pty Ltd. Following an internal restructuring on 16 March 2018, Wiseway Group Limited, a public company incorporated in Australia, became the holding company of the Wiseway Logistics Pty Ltd Consolidated Group. Wiseway Group Limited was incorporated as a public company in Australia on 16 March 2018. The general purpose Consolidated Financial Reports are for Wiseway Logistics Pty Ltd and its consolidated subsidiaries.

Wiseway Group Limited, the holding company of the Wiseway Logistics Pty Ltd Consolidated Group on an unconsolidated basis, conducts no business and has no assets or liabilities other than an intercompany loan receivable from Wiseway Logistics Pty Ltd, and shares in Wiseway Logistics Pty Ltd.

The FY2016, FY2017 and FY2018 consolidated financial statements of Wiseway Logistics Pty Ltd have been audited by KPMG. KPMG has issued unqualified audit opinions in respect of these periods.

The Financial Information presented in the Prospectus has been reviewed by KPMG Transaction Services, as described in its Investigating Accountant's Report in Section 8. Investors should note the scope and limitations of that report (refer to Section 8).

The Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Wiseway's accounting policies. Wiseway's significant accounting policies are described in Appendix A.

This Prospectus includes Forecast Financial Information based on the specific and general assumptions of Wiseway. The Forecast Financial information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information.

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

In addition to the Financial Information, Section 4 describes certain non-IFRS financial measures that Wiseway use to manage and report on the business that are not defined under or recognised by AAS or IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

4.2.2 Preparation of Historical Financial Information

There are no historical consolidated financial statements for the newly incorporated Wiseway Group Limited. The Pro Forma historical financial information for FY2016, FY2017 and FY2018 are based on the audited general purpose statutory consolidated financial statements of Wiseway Logistics Pty Ltd.

WiseWay Group Limited was established on 16 March 2018 when it acquired 100% of the issued shares in Wiseway Logistics Pty Ltd and its controlled entities and became the new parent entity of Wiseway Logistics Pty Ltd. As such it did not include a full 12 months of trading in FY2018. The financial Wiseway Logistics Pty Ltd has therefore been used as the basis for the FY2016 to FY2018 Pro Forma historical financial information, adjusted for certain Pro Forma adjustments.

The Statutory Historical Financial Information has been extracted from the general purpose statutory financial statements for FY2016, FY2017 and FY2018 for Wiseway Logistics Pty Ltd.

WiseWay Logistics Pty Ltd's statutory general purpose financial statements for FY2016, FY2017 and FY2018 were audited by KPMG in accordance with Australian Auditing Standards. KPMG has issued unqualified audit opinions in respect of the financial statements for the period covered by the financial statements.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Annual Results, Pro Forma Historical Annual Cash Flows and Pro Forma Historical Statement of Financial Position have been derived from the Statutory Historical Financial Information, with Pro Forma adjustments being made to reflect:

- the impact of incremental costs associated with operating as a listed public company as if the costs were incurred from 1 July 2015; and
- the tax effect of the above Pro Forma adjustments.

Section 4.3. sets out the Pro Forma adjustments made to the Statutory Historical Annual Results and a reconciliation of the Statutory Historical Annual Results to the Pro Forma Historical Annual Results.

Section 4.4. sets out the Pro Forma adjustments to the Statutory Historical Annual Cash Flows and a reconciliation of the Statutory Historical Annual Cash Flows to the Pro Forma Historical Annual Cash Flows. Pro Forma adjustments were made to the Statutory Historical Annual Cash Flows to reflect the cash impact of the Pro Forma adjustments to the Statutory Historical Annual Results.

Section 4.5. Table 4.8 sets out the Pro Forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro Forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the Offer as if it had occurred as at 30 June 2018.

In preparing the Historical Financial Information, our accounting policies have been consistently applied throughout the periods presented.

The Pro Forma Historical Financial Information presented in Tables 4.1, 4.2, 4.3, 4.5, 4.6, 4.8, 4.9, 4.11 and 4.12 in this Prospectus has been reviewed by KPMG Transaction Services, 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 Investigating Accountant's Report on the Pro Forma Historical Financial Information. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Report on the Pro Forma Historical Financial Information (contained in Section 8).

Investors should note that past results are not a guarantee of future performance.

4.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for the inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and Pro Forma basis for FY2019F. The Statutory Forecast Financial Information represents best estimates of the financial performance and cash flows that are expected to be reported in Wiseway's general purpose statutory financial statements for FY2019F.

As a result of the internal restructure that has taken place in preparation of the Offer, Wiseway Group Limited's consolidated financial statements, when prepared, will present the financial performance of Wiseway Group Limited from 16 March 2018 to 30 June 2019.

Section 4 – Financial Information continued

To be consistent with the other historical and forecast periods covered by the Pro Forma and statutory results included in the Prospectus, the Statutory Forecast Annual Results for FY2019F are presented for the 12 months to 30 June 2019, rather than from 16 March 2018 to 30 June 2019.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information.

In preparing the Pro Forma Forecast Results, Pro Forma adjustments have been made to the Statutory Forecast Results to:

- include incremental public company costs for the portion of FY2019F before completion of the Offer;
- remove the impact of Offer costs;
- remove the impact of certain pre IPO shares issued in connection with or prior to the IPO; and
- the tax impact of the above Pro Forma adjustments.

Section 4.3.3, Table 4.3 sets out a reconciliation of statutory forecast NPAT to Pro Forma forecast NPAT. Pro Forma adjustments were also made to the statutory forecast net cash flows to reflect:

- the cash impact of the Pro Forma adjustments to the Statutory Forecast Annual Results; and
- reflect the cash impact of proceeds net of costs associated with the Offer and pre IPO Offer.

Section 4.4.2, Table 4.6 sets out a reconciliation of statutory forecast free cash flow to Pro Forma forecast free cash flow. No acquisitions are assumed to occur in the period covered by the Forecast Financial Information.

The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information. The Forecast Financial Information has been prepared by Wiseway based on an assessment of current economic and operating conditions and on the general and specific assumptions regarding future events and actions set out in Section 4.6. The Forecast Financial Information is subject to the risk factors as set out in Section 5. The disclosure of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the effect on the Forecast Financial Information if they do not occur, and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information presented in this Prospectus has been reviewed by KPMG Transaction Services, 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 Limited Assurance Investigating Accountant's Report on the Forecast Financial Information. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Report on the Forecast Financial Information (contained in Section 8).

The Directors believe the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, the 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 the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on our actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the Directors and Wiseway management, and are not reliably predictable.

Accordingly, none of the Company or Wiseway Group SaleCo Limited, their respective Directors and Wiseway management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in Section 4.6.1, the specific assumptions set out in Section 4.6.2, the sensitivity analysis described in Section 4.8, the risk factors described in Section 5, the critical accounting policies set out in Section 4.9, the significant accounting policies set out in Appendix A, and the other information in this Prospectus. Wiseway does not intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

4.2.4 Changes in accounting standards

A number of new accounting standards will apply to Wiseway's future financial reports and have been reflected in the Forecast Financial Information in the manner discussed below.

AASB 15 Revenue from Contracts with Customers

In preparing the Forecast Financial Information Wiseway has considered the effect of Australian Accounting Standard AASB 15 Revenue from Contracts with Customers (**AASB 15**). This new revenue standard will supersede all current revenue recognition requirements under AAS. Either a full retrospective application or a modified retrospective application is required for financial statements in respect of periods commencing on or after 1 January 2018.

Pursuant to AASB 118 Revenue, up until 30 June 2018, Wiseway reported revenue when the risk and rewards have been passed to the buyer on delivery of the shipment. Adoption of AASB 15 does not have any impact on Wiseway's revenue and profit or loss.

AASB 9 Financial Instruments

Australian Accounting Standard AASB 9 Financial Instruments (**AASB 9**) addresses the classification, measurement and recognition of financial assets and liabilities, sets out new rules for hedge accounting and introduces a new impairment model. This standard is applicable for annual reporting periods beginning on or after 1 January 2018.

Wiseway has adopted the new standard on its effective date, being 1 July 2018. The new hedge accounting requirements of AASB 9 does not have a significant effect on Wiseway Financial Information.

AASB 16 Leases

Australian Accounting Standard AASB 16 must be adopted with respect to all annual reporting periods beginning on or after 1 January 2019 and represents a significant change to how lessees account for operating leases.

Wiseway leases its warehouses and corporate premises. Wiseway currently treats these leases as operating leases, not recognising them as an asset on its statement of financial position. As summarised in Section 4.6, the adoption of AASB 16 is expected to result in an increase in the recognition of right of use assets and lease liabilities on Wiseway's statement of financial position. The impact on Wiseway's income statement is expected to be a reduction in occupancy-related expenses (amortisation within profit before interest, tax, depreciation and amortization) and an increase in both amortisation (of right of use assets) and finance costs (associated with the lease liabilities).

Wiseway expects to adopt AASB 16 prospectively with effect from the commencement of the FY2020 reporting period being 1 July 2019.

4.2.5 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Wiseway certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **EBITDA** is earnings before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. Wiseway also calculates EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of our operations;
- **EBIT** is earnings before interest (net finance income) and taxation;
- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions) and changes in working capital. Operating cash flow conversion ratio is operating cash flow divided by EBITDA and expressed as a percentage. Wiseway uses operating cash flow and operating cash flow conversion ratio as measures to indicate the level of operating cash flow generated from EBITDA;
- **Free cash flow** is operating cash flow less capital expenditure. Free cash flow conversion ratio is free cash flow divided by EBITDA and expressed as a percentage. Wiseway uses free cash flow and free cash flow conversion ratio as measures of the net cash Wiseway generates before tax, interest and other investing cash flows;
- **Working capital** is trade and other receivables and other current assets less trade and other payables and other current liabilities;
- **Capital expenditure** is capitalised costs primarily related to property, plant and equipment; and
- **Net debt** is interest bearing loans and borrowings (before capitalised borrowing costs) net of cash and cash equivalents.

Section 4 – Financial Information continued

Although the Directors believe that these measures provide useful information about our financial performance, they should be considered as supplements to the statement of profit or loss and other comprehensive income measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Wiseway calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.3 Pro Forma Historical Annual Results, Pro Forma Forecast Annual Results and Statutory Forecast Annual Results

4.3.1 Pro Forma Historical Annual Results, Pro Forma Forecast Annual Results and Statutory Forecast Annual Results

Table 4.1 sets out a summary of the Pro Forma Historical Annual Results, the Pro Forma Forecast Annual Results and the Statutory Forecast Annual Results. The Statutory Historical Annual Results and the Statutory Forecast Annual Results are reconciled to the Pro Forma Historical Annual Results and Pro Forma Forecast Annual Results respectively in Section 4.3.3. See Section 4.6.2.2 for a description of the presentation and composition of the cost and expense categories in Table 4.1.

TABLE 4.1: SUMMARY OF PRO FORMA HISTORICAL ANNUAL RESULTS, PRO FORMA FORECAST ANNUAL RESULTS AND STATUTORY FORECAST ANNUAL RESULTS

\$ thousands	Note	Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
		FY2016	FY2017	FY2018	FY2019F	FY2019F
Year Ended 30 June						
Revenue		43,499	64,853	82,248	103,355	103,355
Cost of sales		(38,784)	(55,094)	(66,496)	(79,868)	(79,868)
Gross profit		4,715	9,759	15,752	23,488	23,488
Operating expenses						
Occupancy costs		(544)	(1,348)	(1,560)	(1,870)	(1,870)
Personnel costs		(2,970)	(5,187)	(8,882)	(10,770)	(10,860)
Admin and other expenses	1	(1,271)	(1,551)	(2,361)	(2,355)	(3,942)
Total operating expenses		(4,784)	(8,086)	(12,803)	(14,996)	(16,672)
EBITDA		(69)	1,672	2,949	8,492	6,815
Depreciation	2	(641)	(1,160)	(1,539)	(1,571)	(1,571)
EBIT		(711)	512	1,410	6,921	5,244
Net finance income/(costs)	3	(212)	(217)	(332)	(310)	(310)
Profit before income tax		(923)	295	1,077	6,611	4,934
Income tax expense	4	235	(100)	(536)	(1,927)	(1,751)
NPAT		(688)	195	542	4,684	3,183

Notes:

- Admin and other expenses include incremental listed public company costs, professional service fees and general administration costs associated with operating the business.
- Depreciation is applied to all tangible assets including vehicles acquired under finance leases and other PP&E.
- Net finance income/(costs) primarily relate to interest paid for the vehicles acquired under finance leases.
- In FY2018 the Pro Forma effective tax rate of 49.7% was impacted by an additional provision of \$0.2 million in relation to prior year non-deductible expenses. Excluding this adjustment, the FY2018 effective tax rate was 32.3%.

4.3.2 Key operating and financial metrics

Table 4.2 sets out Wiseway's key Pro Forma Historical key operating and financial metrics for FY2016, FY2017 and FY2018 and the key Pro Forma and Statutory Forecast key operating and financial metrics for FY2019F.

TABLE 4.2: PRO FORMA HISTORICAL ANNUAL AND FORECAST ANNUAL KEY OPERATING AND FINANCIAL METRICS

	Note	Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
		FY2016	FY2017	FY2018	FY2019F	FY2019F
Key operating metrics						
Goods shipped by air freight (tn)	1	38,871	56,051	68,486	81,842	81,842
Number of air freight shipments	2	17,332	26,948	32,321	44,774	44,774
Number of motor vehicles at year end	3	34	60	76	84	84
Key financial metrics						
Revenue growth (% increase YoY)		n/a	49.1%	26.8%	25.7%	25.7%
Average freight revenue per kg	4	1.08	1.12	1.13	1.17	1.17
Gross profit growth (% increase YoY)		n/a	106.9%	61.4%	49.1%	49.1%
Gross profit margin		10.8%	15.0%	19.2%	22.7%	22.7%
EBITDA growth (% increase YoY)	5	n/a	2,513.9%	76.3%	188.0%	77.7%
EBITDA margin	5	(0.2)%	2.6%	3.6%	8.2%	6.6%
EBIT growth (% increase YoY)	5	n/a	172.1%	175.0%	391.0%	128.4%
EBIT margin	5	(1.6)%	0.8%	1.7%	6.7%	5.1%
NPAT growth (% increase YoY)		n/a	128.4%	177.3%	764.8%	173.9%
NPAT margin		(1.6)%	0.3%	0.7%	4.5%	3.1%
Personnel costs (% of total revenue)		6.8%	8.0%	10.8%	10.4%	10.5%
Operating expenses (% of total revenue)		11.0%	12.5%	15.6%	14.5%	16.1%

Notes:

1. Total outbound air freight tonnage shipped includes both general cargo and perishables volume.
2. Number of air freight shipments refers to the individual number of outbound air freight shipments.
3. Vehicles mainly consist of trucks performing local and interstate services.
4. Average freight revenue per kilogram is calculated as total outbound air freight revenue divided by total outbound air freight volume.
5. Refer to 4.2.5 for non-IFRS measures.

Section 4 – Financial Information continued

4.3.3 Pro Forma Adjustments to the Statutory Historical Annual Results and Statutory Forecast Annual Results

Table 4.3 sets out the Pro Forma adjustments that have been made to NPAT in the historical and forecast periods. No Pro Forma adjustments have been made to revenue in the statutory historical and forecast annual profit and loss statements.

TABLE 4.3: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL ANNUAL RESULTS AND THE STATUTORY FORECAST ANNUAL RESULTS

\$ thousands		Historical			Forecast
Year Ended 30 June	Note	FY2016	FY2017	FY2018	FY2019F
Statutory revenue		43,499	64,853	82,248	103,355
Adjustments		–	–	–	–
Pro Forma revenue		43,499	64,853	82,248	103,355
Year Ended 30 June	Note	FY2016	FY2017	FY2018	FY2019F
Statutory NPAT		40	928	1,162	3,183
Listed company costs	1	(1,040)	(1,047)	(887)	(59)
Offer costs	2	–	–	–	735
Pre IPO share expense	3	–	–	–	1,000
Tax impact of Pro Forma adjustments	4	312	314	266	(176)
Pro Forma NPAT		(688)	195	542	4,684

Notes:

1. Estimate of incremental expenses resulting from Wiseway becoming a listed company. It includes expenses such as annual listing costs, additional director's fees, audit fees, senior management listed company salaries, annual general meeting and legal fees. A Pro Forma adjustment has been made to include a full year of expense in each of the historical periods and in the forecast for FY2019F (a part year, from the time of listing, is already included in the statutory forecast for FY2019F).
2. Costs of \$0.7 million expensed in the statutory forecast income statement for FY2019F in connection with the Offer. These expenses are considered to be a Pro Forma adjustment as they are in relation to the Offer and are non-recurring in nature.
3. Relates to costs associated with the issue of shares to pre IPO investors in connection with the IPO.
4. Tax impact of the above Pro Forma adjustments.

4.3.4 Summary of Statutory Historical Annual Results

Table 4.4 sets out the Statutory Historical Annual Results.

TABLE 4.4: SUMMARY OF STATUTORY HISTORICAL ANNUAL RESULTS

\$ thousands		Historical		
Year Ended 30 June	Note	FY2016	FY2017	FY2018
Revenue		43,499	64,853	82,248
Costs of sales		(38,784)	(55,094)	(66,496)
Gross profit		4,715	9,759	15,752
Operating expenses				
Occupancy costs		(544)	(1,348)	(1,560)
Personnel costs		(2,779)	(4,922)	(8,619)
Admin and other expenses	1	(421)	(769)	(1,737)
Total operating expenses		(3,744)	(7,039)	(11,917)
EBITDA		971	2,719	3,835
Depreciation		(641)	(1,160)	(1,539)
EBIT		330	1,560	2,296
Net finance income/(costs)		(212)	(217)	(332)
Profit before income tax		118	1,343	1,964
Income tax expense		(77)	(414)	(802)
NPAT		40	928	1,162

Notes:

1. Admin and other expenses include realised and unrealised foreign exchange losses of \$0.3 million in FY2018. This has been included in Net finance income/(costs) in the FY2018 audited financial statements

4.4 Pro Forma Historical Annual Cash Flows, Pro Forma Forecast Annual Cash Flows and Statutory Forecast Annual Cash Flows

4.4.1 Pro Forma Historical Annual Results, Pro Forma Forecast Annual Results and Statutory Forecast Annual Results

Table 4.5 sets out Wiseway's Pro Forma Historical Annual Cash Flows, the Pro Forma Forecast Annual Cash Flows and the Statutory Forecast Annual Cash Flows.

TABLE 4.5: SUMMARY OF PRO FORMA HISTORICAL ANNUAL CASH FLOWS, PRO FORMA FORECAST ANNUAL CASH FLOW AND STATUTORY FORECAST ANNUAL CASH FLOWS

\$ thousands	Note	Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
		FY2016	FY2017	FY2018	FY2019F	FY2019F
Year Ended 30 June						
EBITDA		(69)	1,672	2,949	8,492	6,815
Non-cash items in EBITDA	1	-	-	24	159	1,250
Offer costs in EBITDA	2	-	-	-	-	645
Changes in working capital	3	943	454	(2,667)	(1,477)	(1,477)
Operating cash flow		874	2,126	306	7,174	7,233
Capital expenditure	4	(160)	(1,140)	(215)	(1,500)	(1,500)
Free cash flow		714	986	91	5,674	5,733
Repayment of finance lease liabilities	5	(565)	(1,133)	(1,737)	(2,901)	(2,901)
Investment into term deposits		(253)	(302)	-	-	-
Tax paid	6	285	(90)	(496)	(2,198)	(2,050)
Net interest (paid)/received	5	(212)	(217)	(332)	(310)	(310)
Shareholder loan drawdown/(repayment)	7	(872)	343	1,175	-	-
Equity issue	8	-	-	1,550	-	18,484
Net cash flow		(903)	(413)	251	264	18,955
Operating cash flow conversion ratio		(1,261.3)%	127.1%	10.4%	84.5%	106.1%
Free cash flow conversion ratio		(1,030.2)%	59.0%	3.1%	66.8%	84.1%

Notes:

1. Non-cash items in EBITDA mainly reflect the impact of issuing shares to pre IPO investors.
2. Offer costs expensed to the profit and loss statement in FY2019F in relation to the sell down of existing shares have been adjusted from Statutory EBITDA and included in the equity issue (see note 8). For the avoidance of doubt, there is a net nil impact to net cash flow.
3. Working capital is defined to include trade and other receivables and other current assets less trade and other payables. The major components of working capital are customer receivables and accounts payable. The key drivers of changes in working capital are timing differences around customer payments and the payment of suppliers. See section 4.7 for more information on working capital.
4. Reflects the capital expenditure net of drawdowns from finance lease liability to finance the purchase of trucks. See section 4.7 for more information on capital expenditure.
5. Reflects the principal and interest repayments of outstanding finance lease liabilities.
6. Tax is calculated based on the corporate tax rate of 30% in Australia and the timing of tax payments.
7. Relates to the drawdown and repayment of the shareholder loan.
8. During FY2018, Wiseway issued ordinary shares for a total consideration of \$1.6 million. In FY2019F Wiseway has forecast proceeds from the Offer and pre IPO investors of \$21.5 million, net of (i) total Offer costs of \$2.8 million and (ii) non-recoverable GST in relation to Offer costs of \$0.3 million.

Section 4 – Financial Information continued

4.4.2 Pro Forma Adjustments to the Statutory Historical Annual Cash Flows and the Statutory Forecast Annual Cash Flows

Table 4.6 sets out the pro forma adjustments that have been made to the Statutory Historical Annual and Statutory Forecast Annual Cash Flows to reflect the post-tax cash impact of the pro forma adjustments. These adjustments are summarised and explained below.

TABLE 4.6: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL ANNUAL CASH FLOWS AND STATUTORY FORECAST ANNUAL CASH FLOWS

\$ thousands	Note	Historical			Forecast
		FY2016	FY2017	FY2018	FY2019F
Year Ended 30 June					
Statutory net cash flow		(175)	320	872	18,955
Listed company costs	1	(1,040)	(1,047)	(887)	(59)
Pre IPO offer	2	–	–	–	(1,532)
Offer	3	–	–	–	(20,000)
Offer costs	3	–	–	–	3,048
Tax impact of Pro Forma adjustments	4	312	314	266	(149)
Pro Forma net cash flow		(903)	(413)	251	264

Notes:

1. Reflects the cash costs related to the incremental expenses of being a listed public company as described in Note 1 to Table 3.
2. Adjustment to remove the cash received from the pre IPO offer of shares in Wiseway Group Limited.
3. Based on the maximum equity raise currently assumed cash of \$20 million is received by the business. Amounts paid in connection to the Offer of \$3.0 million including non-recoverable GST.
4. Tax impact of the above Pro Forma adjustments.

4.4.3 Summary of Statutory Historical Annual Cash Flows

Table 4.7 sets out the Statutory Historical Annual Cash Flows.

TABLE 4.7: SUMMARY OF STATUTORY HISTORICAL ANNUAL CASH FLOWS

\$ thousands	Statutory Historical		
	FY2016	FY2017	FY2018
Year Ended 30 June			
EBITDA	971	2,719	3,835
Non-cash items in EBITDA	–	–	24
Offer costs in EBITDA	–	–	–
Changes in working capital	943	454	(2,667)
Operating cash flow	1,914	3,173	1,193
Capital expenditure	(160)	(1,140)	(215)
Free cash flow	1,754	2,033	977
Repayment of finance lease liabilities	(565)	(1,133)	(1,737)
Investment into term deposits	(253)	(302)	–
Tax paid	(27)	(404)	(762)
Net interest (paid)/received	(212)	(217)	(332)
Shareholder loan drawdown/(repayment)	(872)	343	1,175
Equity issue	–	–	1,500
Net cash flow	(175)	320	872
Operating cash flow conversion ratio	197.1%	116.7%	31.1%
Free cash flow conversion ratio	180.6%	74.8%	25.5%

4.5 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

Table 4.8 sets out the Statutory Historical Statement of Financial Position and the Pro Forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for Wiseway. These adjustments take into account the effect of the Offer proceeds and related transaction costs as if they had occurred as at 30 June 2018.

On Completion of the Offer, the Company will issue new equity. Proceeds from the Offer will be used to pay for the costs of the Offer and a partial sell down of existing Shares by the Founders.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Wiseway Group's view of its financial position upon Completion or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 7.1.2.

TABLE 4.8: STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

\$ thousands		Wiseway Logistics Pty Ltd (audited)	Wiseway Group Limited (unaudited)	Consolidated Statutory 30 June 2018	Pre-IPO Offer	Impact of the Offer	Pro Forma 30 June 2018
30 June 2018	Note						
Current assets							
Cash and cash equivalents	2,3,6	1,288	–	1,288	1,532	16,706	19,526
Trade and other receivables		7,224	–	7,224	–	–	7,224
Total current assets		8,512	–	8,512	1,532	16,706	26,750
Non-current assets							
Term deposit		735	–	735	–	–	735
Property, plant and equipment		8,429	–	8,429	–	–	8,429
Deferred tax asset	6	207	–	207	–	665	872
Total non-current assets		9,371	–	9,371	–	665	10,036
Total assets		17,883	–	17,883	1,532	17,371	36,786
Current liabilities							
Trade and other payables		(6,329)	–	(6,329)	–	–	(6,329)
Finance lease liability		(1,984)	–	(1,984)	–	–	(1,984)
Income tax liability	6	(325)	–	(325)	–	166	(159)
Accruals		(1,001)	–	(1,001)	–	–	(1,001)
Provision for annual leave		(213)	–	(213)	–	–	(213)
Provisions		(23)	–	(23)	–	–	(23)
Related party (borrowings)/ loans	1,2	(1,796)	1,550	(246)	–	246	–
Total current liabilities		(11,671)	1,550	(10,121)	–	412	(9,709)
Non-current liabilities							
Finance lease liability		(4,445)	–	(4,445)	–	–	(4,445)
Total non-current liabilities		(4,445)	–	(4,445)	–	–	(4,445)
Total liabilities		(16,117)	1,550	(14,567)	–	412	(14,155)
Net assets		1,767	1,550	3,317	1,532	17,783	22,632
Equity							
Share capital	1,2,3,4,5,6	1	1,550	1,551	2,532	18,872	22,955
NCI		41	–	41	–	–	41
Retained earnings	3,4,5,6	1,724	–	1,724	(1,000)	(1,089)	(365)
Total equity		1,767	1,550	3,317	1,532	17,783	22,632

Section 4 – Financial Information continued

Notes:

1. The Consolidated Historical Statement of Financial Position as at 30 June 2018 is an aggregation of the Wiseway Logistics Pty Ltd Consolidated Group's audited Statutory Historical Statement of Financial Position as at 30 June 2018 and Wiseway Group Limited's unaudited Statement of Financial Position as at 30 June 2018 with eliminations to intercompany entries. Wiseway Group Limited's unaudited Statement of Financial Position has been extracted from Wiseway Group Limited's management accounts.
2. Cash and cash equivalents is expected to increase by \$16.7 million as a result of proceeds from the Offer (\$20.0 million) assuming the issuance of 40 million new Shares at the Offer Price, offset by the Offer costs (\$2.8 million), non-recoverable GST in relation to the Offer costs (\$0.3 million) and the repayment of \$0.2 million to settle outstanding related party borrowings.
3. Relates to shares issued for cash consideration of \$1.5 million to Wiseway Group Limited received between FY2018 financial year end and before the Offer. In addition, new Shares issued for nil consideration have been expensed to the profit and loss statement for FY2019 at fair value (\$1.0 million).
4. The impact of shares issued to Non-Executive Directors and the related tax effect are included in the impact of the offer. This is calculated in line with the actual 185,000 ordinary shares issued to the Non-Executive Directors at \$0.50 per share. The adjustment results in \$93,000 to issued capital and \$93,000 expensed to retained earnings.
5. As part of the Offer process, Wiseway intends to implement a long term incentive plan for key management personnel and issue bonus shares to employees. Together, this adjustment results in a \$0.5 million impact to share capital upon the issue of shares and \$0.5 million expensed to retained earnings.
6. Based on the equity raise currently assumed, one-off listing costs of \$2.8 million will be incurred in FY2019F with \$0.3 million of non-recoverable GST leading to a total cash outflow of \$3.1 million. Costs that are directly related to raising equity may be capitalised against issued capital in proportion to the element of the total Offer that relates to new equity. On this basis, it is proposed that \$2.1 million of the qualifying costs will be able to be capitalised and the remaining expensed (\$0.6 million) and included in retained earnings. The recognition of Offer costs is expected to give rise to a deferred tax asset which will increase the deferred tax asset balance by \$0.7 million. Offer costs are expected to be deductible over a period of five years for income tax purposes.

4.5.1 Impact of AASB 16

AASB 16 represents a significant change in the accounting treatment of operating leases. With the exception of low value and short-term leases, all leases must be recognised on the lessee's statement of financial position. Accordingly, lessees will have one accounting model for accounting for leases, which is similar to the current finance lease model in the existing standard on leases AASB 117 Leases.

As AASB 16 comes into force for financial periods commencing on or after 1 January 2019, the liability associated with the non-cancellable leases (refer to Contractual Commitments in Section 4.9) as at 30 June 2018 that would need to be recognised if AASB 16 applied has not been shown on the Pro Forma Historical Statement of Financial Position.

For illustration purposes, had the new accounting standard been in force and had Wiseway applied the modified retrospective approach using the practical expedients included in AASB 16, the Pro Forma Historical Statement of Financial Position at 30 June 2018 would have reflected the following impacts:

- As at 30 June 2018, commitments associated with non-cancellable leases amounted to \$21.7 million. Assumptions are required in relation to the inclusion of option periods which are reasonably certain to be exercised. Inclusion of these option periods will result in additional payments under the leases being built into the liability calculation. Based on the requirements of AASB 16 Leases a liability amounting to the present value of the total assumed lease commitments (i.e. assuming option renewal where reasonably certain to be exercised) would be recorded on the statement of financial position;
- Associated rights-of-use assets (being a subset of Property, plant and equipment) would be recognised and measured at an amount equal to the total lease liability;
- The net impact on net assets and retained earnings on 30 June 2018 would be nil; and
- In respect of assets which are sub-leased and are considered to be finance leases these right of use assets will be de-recognised and replaced with a finance lease receivable for the sub-lease.

Investors should note that the above information is intended to illustrate the expected impact of AASB 16 if it were to be applied to Wiseway's Pro Forma historical financial position as at 30 June 2018. However, the balances that will be recognised in the financial statements for year ending 30 June 2020 may differ due to changes in lease terms, the existence of new leases or the cancellation of existing leases between the Prospectus Date and the adoption date of AASB 16 on 1 July 2019.

4.5.2 Pro Forma indebtedness

Table 4.9 sets out the net cash/(debt) position as at 30 June 2018, on a statutory basis (before Completion of the Offer) and on a pro forma basis (post Completion of the Offer).

The key movements between the pro forma cash and cash equivalents between 30 June 2018 and immediately post Offer relate to the cash proceeds from the Offer net of Offer costs and the pre-IPO Offer. The shareholder loan balance of \$0.2 million will be settled in connection with the Offer.

TABLE 4.9: PRO FORMA INDEBTEDNESS AND CAPITALISATION AS AT 30 JUNE 2018

\$ thousands	Wiseways Logistics Pty Ltd (audited)	Wiseways Logistics Pty Ltd (audited)	Consolidated 30 June 2018	Pro Forma	Change
30 June 2018					
Cash and cash equivalents	1,288	–	1,288	19,526	18,238
Term deposits (non-current)	735	–	735	735	–
Total cash and cash equivalents	2,023		2,023	20,261	18,238
Short term debt					
Finance lease liability	(1,984)	–	(1,984)	(1,984)	–
Related party loans	(1,796)	1,550	(246)	–	246
Total short term debt	(3,780)	1,550	(2,230)	(1,984)	246
Long term debt					
Finance lease liability	(4,445)	–	(4,445)	(4,445)	–
Total long term debt	(4,445)	–	(4,445)	(4,445)	–
Total indebtedness	(8,226)	1,550	(6,676)	(6,430)	246
Net total cash/(debt)	(6,203)	1,550	(4,653)	13,831	18,484

4.5.3 Liquidity and capital resources

Following the Offer, Wiseway's principal sources of funds are expected to be cash flow generated from operations and cash on hand. Upon Completion of the Offer, Wiseway will have an expected cash and cash equivalents balance of \$19.5 million.

WiseWay's main use of cash is to fund operations, working capital, capital expenditure and to support its growth initiatives. Historical and forecast capital expenditure and working capital trends are described in Section 4.7. Wiseway expect that it will have sufficient cash flow from operations to meet its operational requirements and business needs during the forecast period.

WiseWay's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 4.8

4.5.4 Contractual obligations, commitments and contingent liabilities

Table 4.10 sets out the contractual obligations, commitments and contingent liabilities as at 30 June 2018.

WiseWay leases a number of warehouse facilities under operating leases. The leases typically run for a period of 1-5 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. The Company is not aware of any restrictions from entering into any sub-lease arrangements. Wiseway determined that the land and building elements of the warehouse leases are operating leases. The rent paid to the landlord is adjusted to market rentals at regular intervals, and Wiseway does not have an interest in the residual value of the land and buildings. Wiseway has provided cash backed bank guarantees of \$0.7 million as security for the rented premises.

Section 4 – Financial Information continued

TABLE 4.10: CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENT LIABILITIES AS AT 30 JUNE 2018

\$ thousands	< 1 year	1 - 5 years	> 5 years	Total
Operating lease commitments	1,704	9,074	4,484	15,261
Finance lease commitments	1,984	4,445	–	6,430
Total	3,688	13,519	4,484	21,691

4.5.5 Quantitative and qualitative disclosures about market risk

4.5.5.1 Interest rate risk

Wiseway is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instrument. The primarily financial instruments impacted by interest rate movements include cash balances, finance leases and borrowings.

4.6 Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions. In preparing the Forecast Financial Information, Wiseway has undertaken an analysis of historical performance and applied assumptions where appropriate in order to forecast future performance for FY2019F. Wiseway believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing the Prospectus. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Wiseway and its Directors, and are not reliably predictable. Accordingly, none of Wiseway, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.8, the risk factors set out in Section 5 of this Prospectus and the Independent Limited Assurance Report on Forecast Financial Information set out in Section 8. A reconciliation of the Pro Forma Forecast Annual Results to the Statutory Forecast Annual Results is set out in Section 4.3 and 4.4.

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by Wiseway, which are in accordance with the AAS, and are disclosed in Appendix A. It is assumed that there will be no changes in the AAS, the Corporations Act or other financial reporting requirements that may have a material effect on Wiseway's accounting policies during the forecast period.

4.6.1 General assumptions

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

- no acquisitions are assumed to occur;
- no material change in the competitive environment in which Wiseway operates;
- no significant deviation from current market expectations of Australian economic conditions relevant to the industry in which Wiseway operates, including business confidence, consumer sentiment, economic growth, inflation, fiscal and taxation policies;
- no significant interruptions, industry disturbances or disruptions in relation to Wiseway's freight suppliers or operations;
- no material amendment to any material agreement or arrangement relating to Wiseway's business;
- no material industrial actions or other disturbances, environmental costs or legal claims;
- no material cash flow or statement of profit or loss or financial position impact in relation to litigation (existing or otherwise);
- no material changes in key personnel, including key management personnel, and Wiseway is able to continue to recruit and retain personnel which will be required to support future growth of the Company;
- no material change in Wiseway's corporate or funding structure other than as contemplated by this Prospectus;
- the Offer proceeds in accordance with the timetable set out in the Important Information section of this Prospectus;
- no material change in applicable AAS, the Corporations Act or other mandatory professional reporting requirements which have a material effect on Wiseway's financial performance or cash flows, financial position, accounting policies, or financial reporting or disclosures other than those set out in Section 4.2.4; and
- none of the key risks listed in Section 5 occurs, or if they do, none of them has a material adverse impact on Wiseway's operations.

4.6.2 Specific assumptions

The Forecast Financial Information is based on the following key specific assumptions:

4.6.2.1 Revenue assumptions

The Forecast Financial Information is based on the following key revenue assumptions:

- Outbound air freight revenue from existing dry cargo customers is expected to grow in line with recent trends due to continued demand from China and Chinese consumers (see industry overview in Section 2);
- Outbound air freight revenue for dry cargo is expected to increase from new customers in origin cities (Perth, Brisbane, Adelaide and Darwin), through the acquisition of new customers local to each city, which have expanded routes available to Wiseway;
- Wiseway has forecast an outbound freight price increase in FY2019F contributing \$1.2 million to revenue;
- Outbound document fees are forecast based on the current prices charged per shipment. The volume of shipments are forecast to increase based on current run rates being experienced by Wiseway;
- Outbound perishables revenue is derived from growth in volumes from existing customers and expected volumes from identified new customers; and
- Domestic transport and inbound revenue have been forecast primarily based on current run rates being experienced by Wiseway.

4.6.2.2 Expense assumptions

The Forecast Financial Information is based on the following key expense assumptions and allocated to functional expense categories on a consistent basis with the Pro Forma Historical Financial Results:

- Cost of sales – cost of sales for outbound and inbound freight have been prepared based on historical prices charged by airlines and terminal operators. Cost of sales for domestic transport has been prepared based on actual historical costs increased to reflect anticipated growth in volume;
- Personnel costs – have been prepared at an individual employee level assuming a full 12 month for existing employees and new employees based on their start dates. Personnel costs include employee share scheme expenses in the forecast period;
- Occupancy costs – are prepared at an individual premises level where costs and escalations have been agreed to underlying contracts;
- Admin and other expenses – are prepared at an individual expense level based on current run rates with an allowance for future growth. In the forecast, admin and other expenses include the expensed portion of the Offer costs (see below);
- Incremental public company costs – reflects Wiseway's estimate of the incremental annual costs that Wiseway will incur as a listed public entity including Chairman and other Non-Executive Director remuneration, additional audit and legal costs, listing fees, share registry costs, Directors' and officers' insurance premiums as well as annual general meeting and annual reporting costs;
- Offer costs – \$2.8 million of cost are incurred of which \$2.1 million (before tax) are directly attributable to the issue of new Shares by the Company and are offset against equity raised in the Offer. The remaining \$0.6 million (before tax) relate to the sale of existing Shares by the Existing Shareholders and are expensed in the Statutory Forecast Annual Results. The Pro Forma Forecast Annual Results exclude these costs.

4.6.2.3 Depreciation

Depreciation is a non-cash expense that predominantly relates to the ongoing use of the fixed asset base, including items such as property improvement, furniture and fittings, office equipment, plant and equipment and fleet. Depreciation expense is currently calculated on a diminishing value method for motor vehicles including trucks and straight line method for other assets.

4.6.2.4 Net finance income/cost

Net finance income/cost is based on interest incurred from the Company's current finance lease liability schedule and additional interest from new finance leases assumed to be entered into in the forecast period less assumed interest income on expected cash balances.

Section 4 – Financial Information continued

4.6.2.5 Taxation

Forecast tax expense has been calculated by adding back a number of non-deductible expenses including share based payments to taxable income and the tax effect of Offer costs. The tax rate of 30% is subsequently applied to taxable income as Wiseway operates in Australia, which has a corporate tax rate of 30%.

4.6.2.6 Other assumptions

- Changes in working capital – reflects the movements in trade and other receivables and other current assets less trade and other payables and accruals. The Forecast Financial Information assumes cash continues to be collect in line with the historical client invoicing and collection experience and trade and other payables continue to be paid in arrears in accordance with current terms and payments to suppliers.
- Capital expenditure – Vehicles, property improvement, plant, equipment and others reflects assumed investment in additional trucks, cold storage and bonded warehouses, and equipment expected to be required to support the growth of Wiseway's business throughout the forecast period and beyond. Customer interface and tracking reflects assumed software development for the automation of Wiseway's customer booking systems to improve customer experience and efficiency.
- Repayment of finance lease liabilities - reflects the scheduled principal repayments of existing motor vehicles on finance leases and principal repayments associated with the assumed purchase of additional by way of finance leases in FY2019F.

4.7 Management Discussion and Analysis of the Pro Forma Historical Information and the Pro Forma Forecast Financial Information

4.7.1 Key elements of Wiseway's operating results and its drivers

This Section includes a discussion of key factors that effected Wiseway's operating and financial performance during the period of the Historical Financial Information and a discussion of key factors and assumptions underpinning the Forecast Financial Information.

The discussion in this section focuses on the Pro Forma Financial Information. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected Wiseway's historical operating and financial performance, or everything that may affect Wiseway's operations and financial performance in the future. The information in this Section 4 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

4.7.2 Revenue

As discussed in Section 3.3, Wiseway primarily derives its revenue through the management of freight forwarding of general cargo and time sensitive perishables cargo (94.9% of FY2018 revenue) principally to China, which is supported by domestic transport services (4.0% of FY2018 revenue).

General cargo is shipped all year round although does increase in the lead up to Chinese New Year whilst the movement of perishables is seasonal with the majority of freight being transported between September and January of each year, again in the lead up to Chinese New Year.

The customer base primarily consists of express parcel delivery companies servicing retailers, and e-commerce platforms. The business utilises over 22 carriers, primarily shipping to first and second tier cities in China.

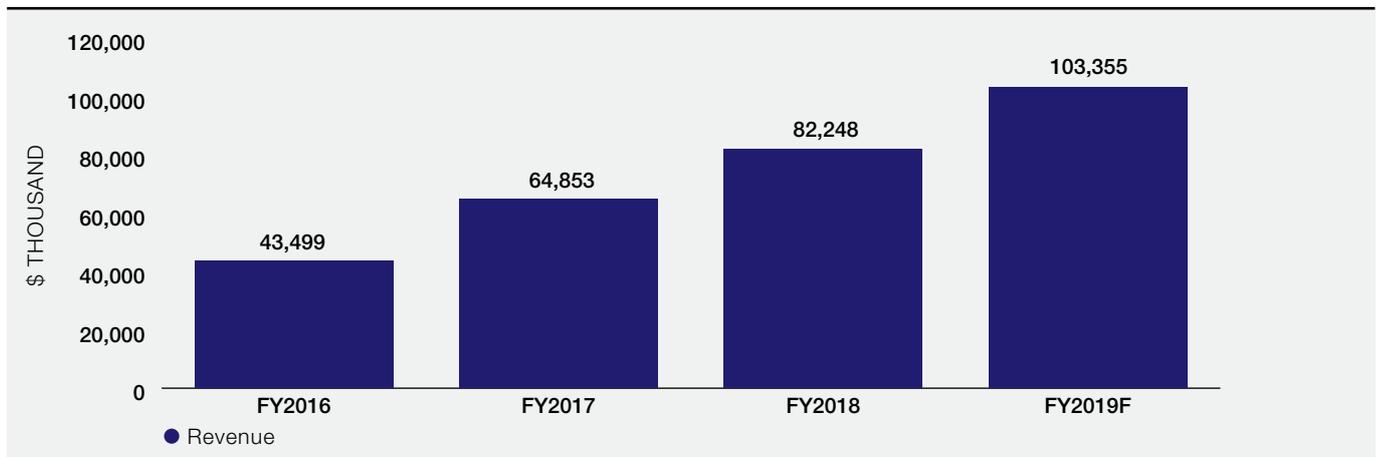
Wiseway's revenue is generally driven by a number of factors discussed in Sections 2 and 3 of this Prospectus. These include:

- The growth of trade flows between Australia and China, discussed in Section 2.4;
- The growth in the export of infant formula and other nutritional products to China, discussed in Section 2.5;
- The growth in the export of perishable foods including fruit, meat, seafood and dairy products to China, discussed in Section 2.5.3;
- Wiseway's sales and marketing efforts discussed in Section 3.10; and
- The success of Wiseway's growth strategies, discussed in Section 3.11.

Wiseway's accounting policy is to recognise revenue when the goods have been delivered to the airport or terminal.

Figure 4.1 below sets out Wiseway's Pro Forma Historical and Pro Forma Forecast revenue between FY2016 and FY2019F.

FIGURE 4.1: PRO FORMA HISTORICAL AND PRO FORMA FORECAST REVENUE



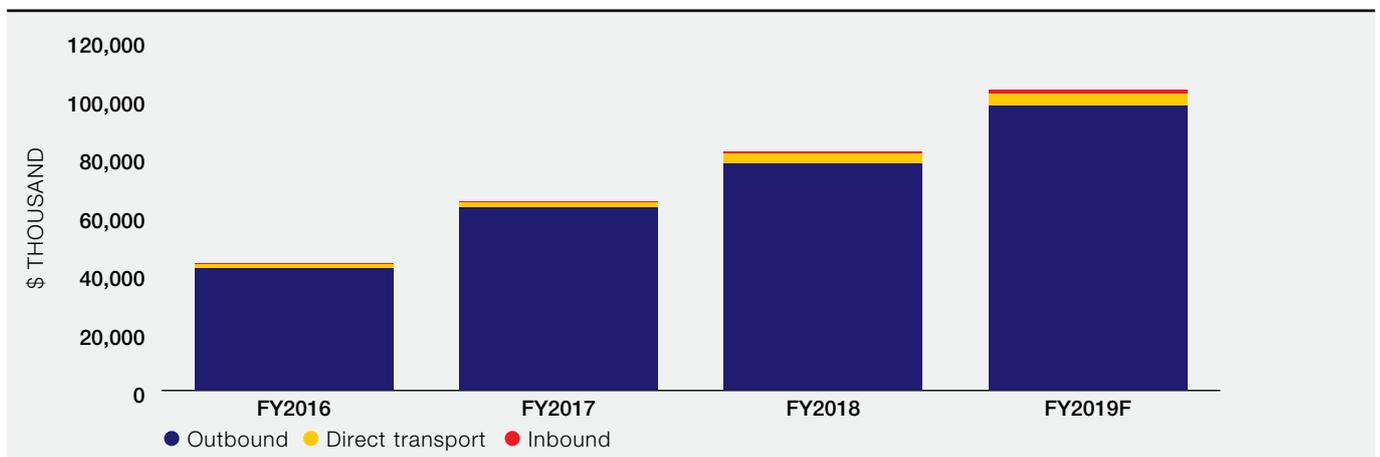
Wiseway's revenue is expected to increase from \$43.5 million in FY2016 to \$103.4 million in FY2019F at a CAGR of 33.4%.

Revenue growth is a result of the continued growth in general cargo shipments (primarily infant formula and vitamins) to China. Outbound air freight is forecast to contribute 93.6% of revenue in FY2019F. FY2018 and FY2019F revenue increases are in part attributable to growth in time sensitive perishable cargo and sea freight service offerings representing 3.6% and 1.2%, respectively, of FY2019F revenue.

Domestic transport revenue is forecast to increase from \$1.4 million in FY2016 to \$5.1 million in FY2019F, a direct result of the increased outbound freight demand and inbound importation of goods to Australia.

Figure 4.2 below sets out Wiseway's Pro Forma Historical and Pro Forma Forecast revenue mix between FY2016 and FY2019F.

FIGURE 4.2: PRO FORMA HISTORICAL AND PRO FORMA FORECAST REVENUE MIX



Outbound revenue

Outbound revenue represents 94.9% of total revenue in FY2018 (93.6% in FY2019F) and mainly includes shipment of both general and perishable cargo via air freight and general cargo via sea freight.

Outbound revenue increased from \$42.0 million in FY2016 to \$63.0 million in FY2017 due to volume increases of general cargo from Wiseway's existing customer base.

Driven by growth outbound revenue increased to \$78.1 million in FY2018. During the year Wiseway acquired new customers (contributed \$3.8 million to freight revenue) from its established general cargo freight business and added an additional 26 routes.

During FY2018, Wiseway also commenced shipping perishable cargo following the development of cold storage areas at Wiseway's Chipping Norton and Thomastown facilities, contributing \$0.8 million to revenue. The business primarily exports four major perishable commodities – dairy, meat, seafood and fruit. Perishable cargo attracts similar revenue charge structure as general cargo.

Section 4 – Financial Information continued

Outbound revenue is forecast to grow by 23.9% to \$96.7 million in the forecast period, compared to 24.0% from FY2017 to FY2018. The key driver of the increase are:

- i. volume increase due to growth from existing customers driven by the continued increased demand from China for infant formula, vitamins and perishables;
- ii. full year effect of new customers acquired in FY2018; and
- iii. new volume acquired from the expansion of direct routes originating from Darwin, Adelaide, Brisbane and Perth.

As a consequence of the above, average freight revenue per kilogram is forecast to increase from \$1.13/kg in FY2018 to \$1.17/kg in FY2019F primarily due to a higher number of shipments and the growth in perishables cargo which attracts higher rates due to the perishable nature of the product.

Wiseway's sea freight offering, previously a nominal portion of revenue, increased from \$0.2 million in FY2016 to \$0.6 million in FY2018 driven by growth in general cargo of non-time sensitive general cargo, primarily driven through customers shipping infant milk formula.

In FY2019 sea freight revenue is forecast to increase to \$1.3 million representing the full year effect of key customers acquired during FY2018.

Inbound revenue

Wiseway manages inbound air freight to Australia originating in China such as electronics, clothing and fashion items ordered by Australian consumers from e-commerce platforms, particularly Chinese e-commerce platforms, which are then shipped to Australia.

During FY2018 Wiseway started formally operating its customs approved bonded warehouse in Bankstown for eCommerce parcel imports. As a licensed customs broker, the Company organises customs clearance, transportation and distribution services on behalf of the customer, generating revenue of \$0.5 million in FY2018.

The Company's facility in Thomastown, Victoria is currently awaiting Australian government approval to become a bonded warehouse. This along with continued growth for inbound freight in Sydney is forecast to increase revenue to \$1.3 million in FY2019.

Domestic transport revenue

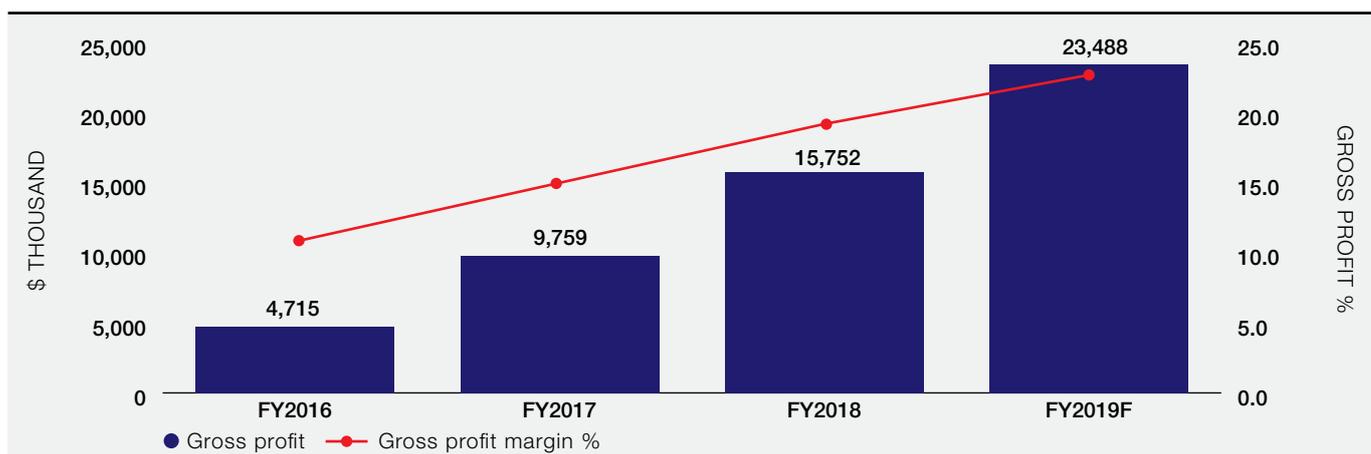
In response to general cargo freight volume growth (29,000 tonnes) and demand for local pick up from customer sites, the business has internalised the transport capability, which was previously outsourced, through the purchase of 42 trucks and hire of 38 contractors as at June 2018. As a result, transport revenue increased from \$1.4 million in FY2016 to \$3.3 million in FY2018.

Domestic transport revenue is forecast to increase by \$1.8 million to \$5.1 million in FY2019 primarily due to the continued outbound freight volume growth into FY2019F and backhaul of bulk packaged inbound freight to its current bonded warehouse in Bankstown and bonded warehouse in Thomastown (pending government approval).

4.7.3 Gross profit

Figure 4.3 below sets out the Pro Forma Historical and Pro Forma Forecast gross profit and gross profit margin.

FIGURE 4.3: PRO FORMA HISTORICAL AND PRO FORMA FORECAST GROSS PROFIT AND GROSS PROFIT AS A PERCENTAGE OF REVENUE (%)



Wiseway's total gross profit increased by \$11.0 million from \$4.7 million in FY2016 to \$15.8 million in FY2018. Total gross profit as a percentage of revenue increased from 10.8% in FY2016 to 19.2% in FY2018 primarily due to the operating leverage achieved by the increase in volumes shipped.

Gross margin is forecast to continue to increase in FY2019F to 22.7% through increased operating leverage due to volume increases and the Company achieving cost efficiencies from investing in the capability to internalise packaging of air freight cargo.

Outbound and inbound cost of sales

Cost of sales includes all direct freight costs for outbound, inbound, general and perishable cargo freight per kilogram charged by the airlines to Wiseway for utilising cargo space. Outbound and inbound gross margin increased from 10.8% in FY2016 to 19.0% in FY2018 a result of average air freight cost per kg decreasing from \$0.80/kg in FY2016 to \$0.77/kg in FY2018. This reduction was mainly driven by:

- i. increases in volumes shipped and the corresponding reduction in price due to tiered pricing structures; and
- ii. reduction in prices charged by airlines as an incentive to generate cargo volume.

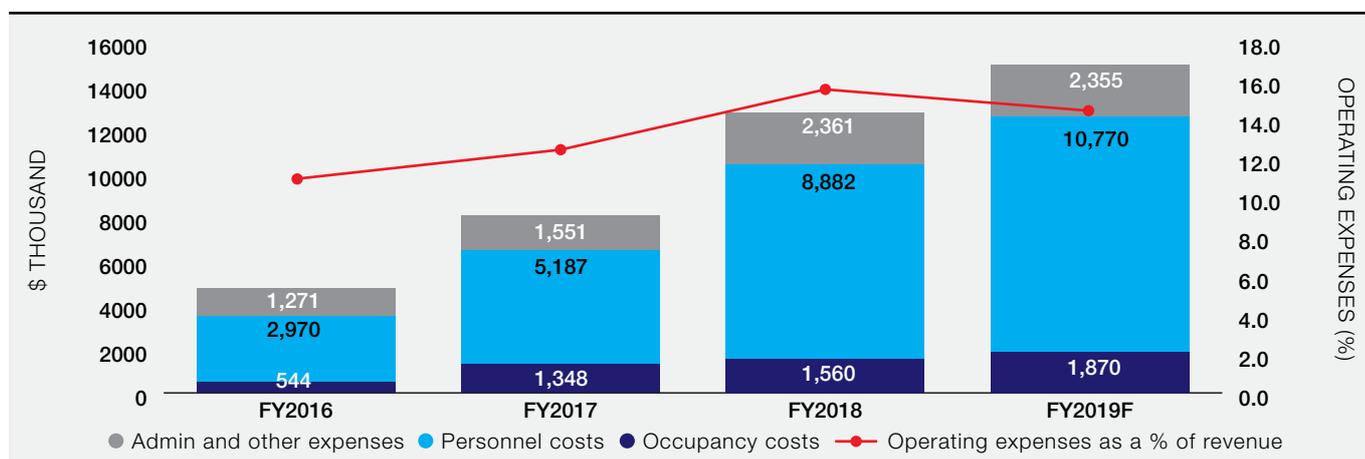
In addition, gross profit was positively impacted by a reduction in pallets and packing charge per shipment resulting from increased volumes with suppliers in Melbourne and Sydney. Outsourced freight costs for transshipping cargo from Hong Kong to Mainland China also decreased from \$2.2 million in FY2016 to \$0.3 million in FY2018, mainly due to the opening of new routes in China resulting in less goods required to be transhipped from Hong Kong.

Outbound and inbound gross margin is forecast to increase to 22.0% in FY2019F as Wiseway has invested in capability to internalising aircraft unit load device (ULD) packaging of air freight cargo. During FY2018 Wiseway invested in internal packaging capabilities including acquiring roller trucks and scissor lifts to save on external packaging charges. Wiseway has forecast savings of \$3.1 million will be achieved in FY2019F through internalising aircraft ULD packaging.

4.7.4 Operating expenses

Figure 4.4 below sets out the Pro Forma Historical and Pro Forma Forecast operating expenses and operating margin.

FIGURE 4.4: PRO FORMA HISTORICAL AND PRO FORMA FORECAST OPERATING EXPENSES AND OPERATING EXPENSES AS A PERCENTAGE OF REVENUE (%)



Total operating expenses increased from \$4.8 million in FY2016 to \$12.8 million in FY2018, through Wiseway increasing personnel numbers and the number of properties occupied to support the growing business. Total operating expenses are expected to increase to \$15.0 million in FY2019F, primarily as a result of increased personnel costs of \$1.9 million and \$0.3 million increase in occupancy costs as a result of the business opening new branches in other capital cities in order to become a national freight forwarding company.

Section 4 – Financial Information continued

Occupancy

Occupancy costs relates to rental payments for all leased properties. As at 30 June 2018, the Company leases seven properties throughout Australia, as office space, warehouses and cold storage.

Wiseway's rental costs are mainly attributable to four key properties:

- i. the head office, dry cargo warehouse and AQIS approved bonded warehouse at Bankstown;
- ii. cold storage and warehouse in Chipping Norton;
- iii. warehouse in Revesby which typically stores pallets for Wiseway's express delivery customers and serves as a depot for a Wiseway's fleet in Sydney; and
- iv. Thomastown warehouse and perishables cold storage facility. This property is currently awaiting bonded warehouse approval.

Occupancy costs increased from \$0.5 million in FY2016 to \$1.6 million in FY2018 due to additional cold storage and warehouses in both Chipping Norton (September 2016) and Thomastown (April 2016). Expansion into Perth and Adelaide during the third quarter of 2016 also increased rental costs.

Occupancy costs are forecast to increase in FY2019F, increasing by \$0.3 million to \$1.9 million. The increase is largely due to annual contracted increases in rent expense under existing contracts and the full year impact of the new Brisbane premises (first leased in October 2017 in order to meet additional capacity requirements in the Brisbane and wider Queensland market).

Table 4.11 below sets out the Pro Forma Historical and Pro Forma Forecast average employee numbers and revenue per employee.

Personnel

TABLE 4.11: PRO FORMA HISTORICAL AND PRO FORMA FORECAST AVERAGE EMPLOYEE NUMBERS AND REVENUE PER EMPLOYEE

\$ thousands	Pro Forma Historical			Pro Forma Forecast
	FY2016	FY2017	FY2018	FY2019F
Year Ended 30 June				
Average FTEs (#)	18	30	38	43
Average total employees (#)	46	75	106	127
Average personnel cost per employee	(65)	(69)	(84)	(85)

Personnel expenses represent the largest operating cost of Wiseway (71.8% of FY2019F operating expenses).

Personnel expenses increased from \$3.0 million in FY2016 to \$8.9 million in FY2018 driven by growth in Sydney and Melbourne as well as the expansion into Perth, Adelaide and Brisbane in FY2016 and FY2017.

To support growth, the Company has invested in a back office support team with the employment of a CTO, CFO as well as logistics coordinators and import/export staff. Wiseway also invested in dedicated perishables staff in order to drive growth in perishable outbound freight volumes.

Due to its national expansion and increase in outbound dry cargo volumes, Wiseway also employed drivers for interstate road transportation of cargo between its capital cities to take advantage of available routes in different capital cities and for local road transportation of cargo from the client site to Wiseway's facilities and subsequently to the airport.

Wiseway also internalised the domestic transport function of the business during FY2017 (contributing \$3.0 million to personnel costs across the historical period). This resulted in the hiring of 38 drivers from FY2016 to FY2018.

The average personnel cost per employee increased across the historical period due to the employment of higher salaried senior staff and an increase in driver utilisation.

Personnel expenses are forecast to increase from \$8.9 million in FY2018 to \$10.8 million in FY2019F a result of the full year effect of new hires in FY2018, additional contractors and support staff to cater for increased freight volumes.

Administrative and other

Administrative and other expenses are presented on a Pro Forma basis and include the estimated incremental listed public company costs. Administrative and other expenses have increased by \$1.1 million (85.7%) from \$1.3 million in FY2016 to \$2.4 million in FY2018.

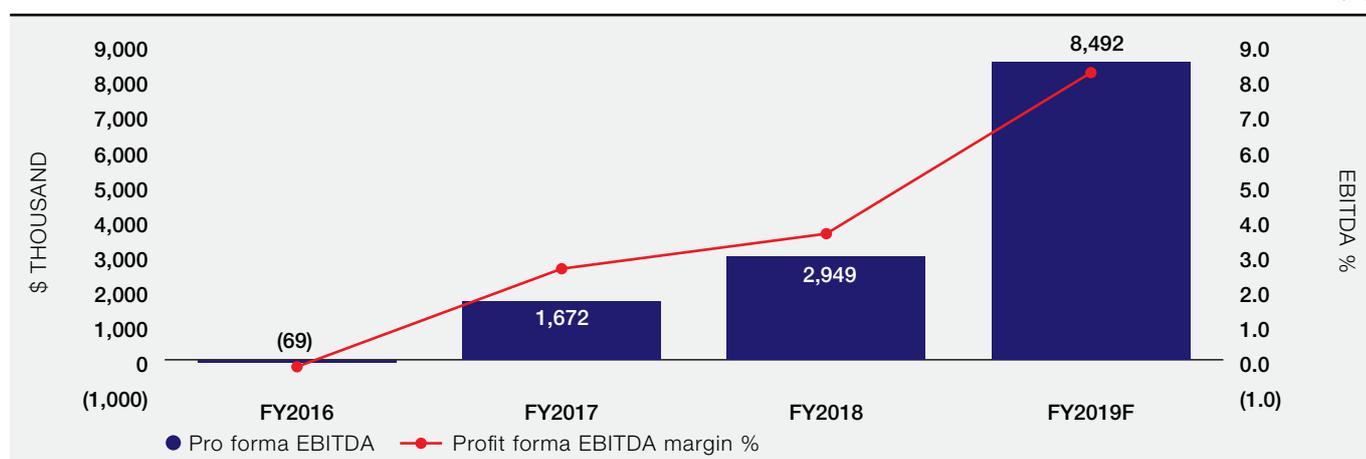
This increase was primarily driven by increased electricity and maintenance costs at the Thomastown and Chipping Norton warehouses. Additional freight volumes and the corresponding uplift in the usage of the CargoWise and Fleetmatic systems also led to increased administrative costs.

Administrative and other expenses are forecast to remain stable in FY2019F at \$2.4 million. The increased operation of cold storage facilities is forecast to drive additional electricity expenses offset by increased airline commissions due to growth in outbound freight volumes.

4.7.5 EBITDA

Figure 4.5 below sets out the Pro Forma Historical and Pro Forma Forecast EBITDA and EBITDA margin.

FIGURE 4.5: PRO FORMA HISTORICAL AND PRO FORMA FORECAST EBITDA AND EBITDA AS A PERCENTAGE OF REVENUE (%)



Pro Forma EBITDA increased from negative \$0.1 million in FY2016 to \$1.7 million in FY2017 as a result of increased airfreight revenue and transport cost savings. Pro Forma EBITDA margin increased to 2.6% in FY2017 from (0.2)% in FY2016, due to Wiseway benefiting from a decrease in average cost per kg as a result of increased outbound freight volumes shipped and the corresponding reduction in price due to tiered pricing structures.

Pro Forma EBITDA margin subsequently increased to 3.6% in FY2018 primarily as a result of direct air cargo routes opening up in mainland China, which Wiseway historically had to pay a ground freight forwarder to transport goods from Hong Kong.

Pro Forma EBITDA margin is expected to increase to 8.2% in FY2019F, due the growth in airfreight revenue leading to further operating leverage and the internalisation of the packaging capability which is estimated to reduce direct costs by \$3.1 million.

4.7.6 Capital expenditure

Table 4.12 below sets out the Pro Forma Historical and Pro Forma Forecast capital expenditure.

TABLE 4.12: PRO FORMA HISTORICAL AND PRO FORMA FORECAST CAPITAL EXPENDITURE

\$ thousands	Historical			Forecast
	FY2016	FY2017	FY2018	FY2019F
Vehicles	2,524	3,415	2,114	1,215
Property improvement	–	1,006	106	500
Cust. interface and tracking	–	–	–	1,000
Plant, equipment and other	63	425	123	–
Total capital expenditure	2,587	4,846	2,343	2,715
Capital expenditure acquired through finance lease	(2,427)	(3,706)	(2,128)	(1,215)
Capital expenditure	160	1,140	215	1,500

Section 4 – Financial Information continued

Gross capital expenditure was \$2.6 million in FY2016, \$4.8 million in FY2017 and \$2.3 million in FY2018. The Company has gradually internalised the transport function through the purchase of its own fleet across the historical period. The fleet of owned trucks has increased from 34 at June 2016 to 76 as at June 2018, representing total capital expenditure of \$8.1 million from FY2016 to FY2018. Wiseway has typically funded the purchase of the fleet through finance lease agreements.

Customer interface and tracking portal capital expenditure of \$1.0 million relates to the software development of an automated system to improve the efficiency in the booking process for customers.

Capital expenditure on property improvement primarily relates to the fit out of cold storage facilities and building improvements at the Bankstown premises.

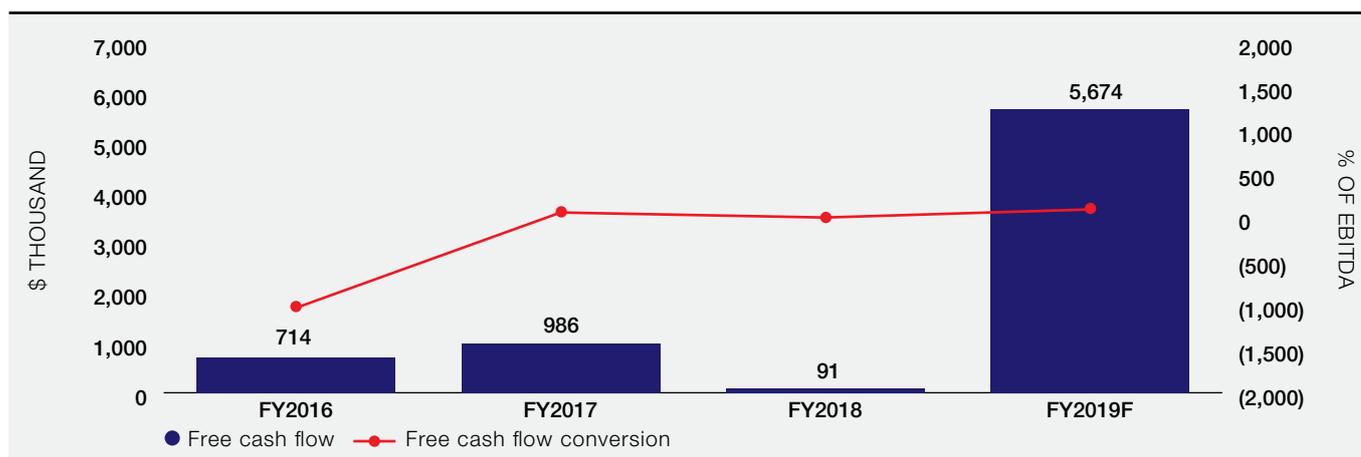
Plant, equipment and other capital expenditure, primarily relates to fuel tanks, office equipment and security systems for the bonded warehouses, is primarily funded by operating cash flow.

Gross capital expenditure of \$2.7 million is expected in FY2019F of which \$1.2 million is required to acquire 8 additional trucks and \$0.5 million to commence the planning and development of cold storage facilities and bonded warehouses in Adelaide, Brisbane and Perth.

4.7.7 Net free cash flow

Figure 4.6 below sets out the Pro Forma Historical and Pro Forma Forecast free cash flow.

FIGURE 4.6: PRO FORMA HISTORICAL AND PRO FORMA FORECAST FREE CASH FLOW AND FREE CASH FLOW CONVERSION (%)



Pro Forma free cash flow was \$0.7 million in FY2016 increasing to \$1.0 million in FY2017 primarily due to an increase in Pro Forma operating cash flow by \$1.3 million from:

- i. increased outbound freight volume;
- ii. cost savings through the gradual internalisation of outsourced transportation (\$1.0 million was paid to external contractors in FY2016 to transport freight to the airport in Sydney); and
- iii. offset by increased wage and direct cost expenditure captured towards year end.

The increase in Pro Forma operating cash flow during this period was partially offset by capital expenditure of \$1.0 million on the development of cold storage facilities and bonded warehouses and acquisition of trucks.

Pro Forma free cash flow decreased from \$1.0 million in FY2017 to \$0.1 million in FY2018 driven by the decrease in Pro Forma operating cash flow from \$2.1 million in FY2017 to \$0.3 million in FY2018 as a result of a growth in receivables from:

- i. \$1.2 million of security deposits paid to new partner airlines; and
- ii. a new airline incentive income accrued throughout the year, expected to be received in November 2018.

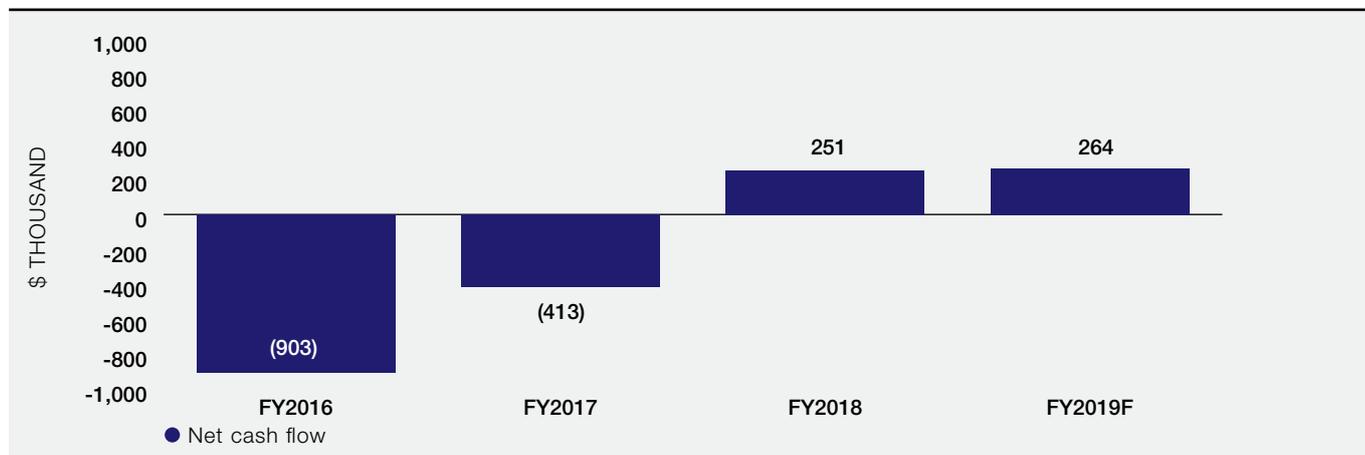
Capital expenditure decreased to \$0.2 million in FY2018 as the majority of capital expenditure, relating to the purchase of trucks, is funded through finance leases (see Table 12).

Pro Forma free cash flow is forecast to increase to \$5.7 million in FY2019F due to the increased outbound freight volume and transportation revenue increasing Pro Forma operating cash flow by \$6.9 million.

4.7.8 Net cash flow

Figure 4.7 below sets out the Pro Forma Historical and Pro Forma Forecast net cash flow.

FIGURE 4.7: PRO FORMA HISTORICAL AND PRO FORMA FORECAST NET CASH FLOW



Wiseway had negative Pro Forma net cash flows in FY2016 and FY2017 (a net outflow of \$0.9 million and \$0.4 million respectively) primarily due to principal and interest repayments of its trucks purchased under finance lease in both years. In FY2016, \$0.9 million of shareholder loans were repaid to the shareholders.

In FY2018 Pro Forma net cash flows increased to \$0.3 million primarily due to shareholder capital injection of \$2.7 million into the business. The inflow has been largely offset by growth in the trade receivable balance (discussed in the free cash flow section above) and finance lease, principal and interest repayments.

On a Pro Forma basis, the Company assumed a net cash in-flow of \$0.3 million in FY2019F driven by an increase in outbound freight volumes partially offset by higher principal and interest repayments on the finance lease liabilities outstanding and an increase in income tax payments as a result of increased profitability.

4.8 Sensitivity Analysis

The Forecast Financial Information included in this Section 4 of the Prospectus is based on a number of estimates and assumptions as described in Section 4.2.3. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of Wiseway, its Directors and management. These estimates are also based on assumptions with respect to future business developments and decisions, which are subject to change.

Table 4.13 sets out a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in key assumptions are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Prospectus Results, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that Wiseway management would respond to an adverse change in one item to seek to minimise the net effect on Wiseway's earnings and cash flow.

For the purpose of the sensitivity analysis shown in Table 4.13 each sensitivity is presented in terms of the impact on FY2019F Pro Forma forecast EBITDA and NPAT of \$8.5 million and \$4.7 million respectively.

Section 4 – Financial Information continued

TABLE 4.13: SENSITIVITY ANALYSIS FOR FY2019F PRO FORMA FORECAST ANNUAL EBITDA AND NPAT

Assumption	Note	Increase/ Decrease	FY2019F Pro Forma EBITDA impact (\$ thousands)	FY2019F Pro Forma NPAT impact (\$ thousands)
Revenue				
Air freight volume	1	+/- 1%	+/- 146	+/- 102
Air freight \$/kg	2	+/- \$0.05/kg	+/- 4005	+/- 2804
Costs				
Inbound and Outbound cost of sales	3	+/- 1%	+/- 766	+/- 536
Personnel costs	4	+/- 5%	+/- 548	+/- 385

Notes:

1. The impact on FY2019F Pro Forma EBITDA and NPAT of a 1% increase or decrease in the assumed airfreight forecast volumes.
2. The impact on FY2019F Pro Forma EBITDA and NPAT of a \$0.05/kg increase or decrease in the assumed airfreight price per kg.
3. The impact on FY2019F Pro Forma EBITDA and NPAT of a 1% increase or decrease in both Inbound and Outbound direct costs of sales.
4. The impact on FY2019F Pro Forma EBITDA and NPAT of a 5% increase or decrease in personnel costs from either changes in headcount or salary costs.

4.9 Critical accounting policies

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements Wiseway has made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Appendix A.

4.10 Dividend Policy

The payment of dividends by Wiseway, if any, subject to any contractual, legal or regulatory restrictions, is at the complete discretion of the Directors, and the Directors do not provide any assurance of the future level of dividends paid by the Company. 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 Wiseway's earnings, overall financial condition and capital requirements, taxation considerations (including the level of franking credits available), the general business environment, and any other factors that the Directors may consider to be relevant.

It is the current intention of the Board to target a dividend payout ratio of between 40% to 60% of Wiseway's NPAT, subject to future business conditions and future cash flow requirements of Wiseway. The initial dividend will relate to the period ending 30 June 2019 and is expected to be paid in September 2019.

Thereafter, depending on the ongoing available earnings and the ongoing financial position of the Company, it is the intention of the Board to declare interim dividends in respect of half years ending 31 December and final dividends in respect of half years ending 30 June each year, which are expected to be paid out in March and September respectively. Shares issued as a result of this Prospectus will rank equally with all other shares for dividend entitlements.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend in future periods.



5

Risks

Section 5 – Risks continued

5.1 Introduction

The future performance of Wiseway and the future investment performance of the Shares may be influenced by a range of factors, many of which are outside the control of the Company. Any, or a combination of, these factors may have a material adverse impact on Wiseway business, and its operating and financial performance.

This Section 5 describes what Wiseway believes to be the key risks associated with its business, the logistics industry in which Wiseway operates and the risks associated with an investment in the Company. It does not purport to list every risk that may be associated with Wiseway business, the logistics industry and the risks associated with an investment in the Company now or in the future. The occurrence or consequence of some of the risks described in this Section 5 is partially or completely outside the control of Wiseway and the Directors. The selection of risks described in this Section 5 is based on an assessment by the Company of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and the Manager as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or other risks or matters that may adversely impact will not emerge.

Any of these risks, or any other risks or other matters, may emerge and may have a material adverse effect on the Company and its financial position and performance. There can be no guarantee that Wiseway will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

Before applying for Shares, you should be satisfied that you have a sufficient understanding of the risks described in this Section 5, and all of the other information set out in this Prospectus, and consider whether the Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances, taxation position or particular needs.

If you do not understand any part of this Prospectus or are in doubt as to whether an investment in Wiseway is suitable for you, we recommend you seek professional advice from your stockbroker, lawyer, accountant or other qualified professional adviser before deciding whether or not to invest in Shares.

5.2 Specific risks of an investment in Wiseway

5.2.1 Reliance on key suppliers

Wiseway has long-term supplier partnerships with numerous airfreight service providers (airlines). In particular, Wiseway's partnership with airlines account for approximately 95% of Wiseway's FY2018 revenue. Although Wiseway has entered into several general sales agency agreements and cargo sales agency agreements with its key airlines, some of the contractual arrangements with airfreight service providers that the Company and its subsidiaries are a party to contain termination clauses which enable the counterparty to terminate under certain circumstances. This includes termination clauses which are triggered by change of control events as well as termination for convenience clauses. There is also a risk that the suppliers may not renew their contracts with Wiseway, and those contracts do not guarantee freight volumes to Wiseway. Any loss or changes to these key suppliers, changes to the terms of supply, or fall in volume of freight, may have a material and adverse effect on Wiseway's business. Further, freight rates with these service providers are subject to frequent changes. An increase in the freight rate could lead to a reduction in the gross margin of Wiseway.

To mitigate this risk, the Company has maintained a long-term cooperation relationship with some major airlines operating Australia-to-China routes including Qantas Freight, China Southern Airlines, Cathay Pacific Airlines, Fedex, Singapore Airlines, China Eastern Airlines etc. Wiseway intends to maintain these mutually profitable partnerships by providing consistently high volumes to China through the six airport cities that Wiseway operates in. Wiseway's strong relationship with these freight services providers have successfully secured competitive rates and service capabilities, winning majority market share and client confidence for Wiseway. Furthermore, Wiseway has launched its perishables business in 2017. This business line will further strengthen Wiseway's relationship with their airlines in the future.

5.2.2 Competition risk

Wiseway is subject to competition from global logistics services providers such as DHL, CT Freight and Mainfreight. Certain market conditions may cause an increase in competition. For instance, an increase in demand may present the opportunity for competitors to expand their operations and markets. Increased competition may reduce the volume and price of the services that the Company provides, which may have a material and adverse effect on Wiseway's revenue and profitability and, in particular, its growth. However, Wiseway has maintained a competitive advantage among its peers by expanding its business activities and through its well-recognised brand and long-term relationships with major suppliers, customers and agents. For instance, Wiseway, as an Asian-focused company, has been recognised by many suppliers, buyers and Daigou communities and has obtained a number of exclusive agent agreements with a number of key Chinese airlines such as Sichuan Airlines and Beijing Capital Airlines.

In addition, advancements and changes in technology in the logistics industry may have a substantial impact on the Company's business operations. If the Company cannot adapt to the technological advancements and changes, it may lose its competitive position in the market and therefore suffer losses in its revenue and profitability. To mitigate this risk, the Company has engaged experienced IT professionals to manage the Company's IT system and is committed to seek the most time and cost efficient technological means of conducting business in order to maximise the Company's profitability.

5.2.3 Government policy, and legal and regulatory oversight

Wiseway's operations depend on government maintained public infrastructure including roads, airports, seaports and associated infrastructure. The financial performance and position of Wiseway depends upon government policy and the continued maintenance and provision of this infrastructure. Wiseway's operations are subject to extensive legal and regulatory oversight, and legislative or policy changes, especially in Customs and Quarantine policies, may have a material adverse effect on Wiseway.

The Company is currently not aware of any changes to government policy that would have a material adverse effect on Wiseway.

5.2.4 Business approvals, permits and licences

Wiseway requires certain licences and approvals to conduct its business. These licences are granted at the discretion of the relevant Australian authorities, and the criteria for eligibility may change. The business activities of Wiseway and its subsidiaries are subject to the supervision of these authorities which have the power to revoke previously granted licences or approvals or reject applications for new or extended licences or approvals.

If any activity of the Group fails to meet the requirements of applicable rules or regulations, the Group may incur legal liabilities. In particular, if any entity in the Group fails to obtain the grant or renewal of any required licences or approvals, the business activities of the affected entity and the Group as a whole may be interrupted, or, if the affected entity continues to operate without the necessary licences and approvals, it may be liable to penalties. Any interruption to the Group's business activities or potential penalties may have a material and adverse effect on Wiseway and its subsidiaries' business, net assets, financial condition and operational results.

Growth plans of the Group are also in part reliant on new or varied licences and approvals which may not be obtained in the time contemplated in the Group's business plan or at all. Adverse regulatory outcomes such as these may materially impact the Group's future revenues and profitability.

To mitigate this risk, Wiseway conducts regular audits to ensure it is compliant with the conditions of its permits and licences. Furthermore, Wiseway provides regular training of its employees to ensure its workforce is aware the permit and licence requirements.

5.2.5 Decline in trade volumes and economic conditions

Wiseway mainly focuses on bilateral trade between Australia and China, as its customers are businesses selling products into China and the end users of its services are the consumers in China. A decline in the bilateral trade volume and recessionary economic conditions may adversely affect Wiseway's financial performance. Trade volumes can be affected by various economic and political factors and general economic conditions in the market, such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption.

Section 5 – Risks continued

5.2.6 Seasonal cycle effect

The Company's business is subject to seasonal cycles in its sales of services. Usually more demand for logistics services are generated during the period from September to January since there will generally be an increase in the bilateral trade volume between China and Australia due to the increasing consumer demand in the months leading up to Christmas and Chinese New Year. However, there will be less demand for logistics services during Chinese holiday periods. This causes seasonal revenue variations. It would also increase the fixed overhead and reduce the Group's annual profit.

5.2.7 Quality control of perishable goods

Wiseway engages in a cold chain business, which involves the storage of perishable goods to ensure that the quality of the goods meets the required food industry standard. In an event that Wiseway fails to meet the requirements of applicable rules or regulations in relation to the storage of perishable foods, the Company may incur legal liabilities, which may have a material adverse effect on the Company's reputation and financial performance.

To mitigate this risk, Wiseway has adopted the necessary equipment to store perishable food, including a temperature gage, which provides a continuous record of the storage temperature to solve the problem of undetected loss of refrigeration. Further, the Company has recruited perishable professionals to strengthen its business and to ensure compliance with regulations.

5.2.8 Failure to retain existing customers and attract new customers

Wiseway's business depends on its ability to retain its existing clients and its growth depends on its ability to attract new customers. There is a risk that the existing customers may terminate their contracts with Wiseway or use their commercial leverage to push for lower prices or other less favourable terms for Wiseway, which will adversely affect Wiseway's financial performance. There is also no guarantee that the current sales growth momentum could be maintained.

Wiseway has entered into framework agreements with several of its key customers and exclusive sales agency agreements with its sales agents. These sustainable cooperation relationships enable Wiseway to maintain its revenue and profits. The management of the Company has also been actively approaching potential customers and agencies in order to promote the sales of the Company's services.

5.2.9 Reliance on key personnel

Following Completion of the Offer, Wiseway's Founders will collectively retain substantial shareholdings of 51.4% of the total number of Shares on issue, have operational roles within the Company and have substantial influence over the day to day affairs and strategic direction of the Company. Without the Founders acting in conjunction with other management personnel, the Company may not be able to maintain its services at a high quality level or deliver its long-term strategic objectives. Any decision by the Founders to materially reduce their stake in Wiseway may have a material adverse effect on the Share price.

Wiseway also relies upon the performance and expertise of its key management personnel and employees. Any loss or changes to the quantity or quality of the operational services provided by these key personnel, or an inability to attract qualified and motivated personnel to provide these services, could adversely affect Wiseway's development and financial performance.

5.2.10 Loss of warehouse spaces or failure to renew leases

The Company has entered into a number of agreements to lease warehouse spaces, which is critical to the Company's business and operations. Whilst the majority of the Company's leases are long term leases, there is no guarantee that those leases or will be renewed at the expiration of their term on commercially acceptable terms, or at all. In addition, there is risk that, in some circumstances, the Company's existing contractual arrangements could be terminated by property owners before the end of their term, whether by default of the Company or otherwise. If these risks materialise, particularly in relation to one of the Company's key warehouses or in relation to a number of its warehouses at the same time, the Company may lose its leasehold rights and may need to relocate its business and operations. This may cause disruptions to the Company's operations and result in significant relocation costs, particularly in relation to which could materially adversely affect the Company's financial position and prospects.

5.2.11 Foreign exchange rate risk

Part of the Company's revenue will be generated overseas. Economic or political instability in foreign countries (which may be caused by a number of unforeseeable events), especially China where the majority of the Company's clients are based, may have an adverse effect on the Company. The exchange rate for foreign currency could fluctuate all the time. For example, the exchange rate for Chinese Yuan has historically fluctuated in relatively short periods of time. Adverse movements in the exchange rate for foreign currency could result in a decreased contribution from the Company's overseas business, and this may have a material adverse effect on the Company and may impact the Company's profitability. To mitigate this risk, the Company has used Australian dollars as the settlement currency for the majority of its sales and will aim to use Australian dollars as the settlement currency for all future sales to the greatest extent reasonably possible.

5.2.12 Chinese regulatory risks

Some of the contractual arrangements with airfreight service providers that the Company and its subsidiaries are a party to are governed by the laws of the PRC. The PRC's legal system is largely based on legislation and prior case law has limited precedential value. However, the PRC is still in the process of developing a comprehensive statutory framework. Its legal system is still considered to be underdeveloped in comparison with the legal systems in other developed countries.

Since 1979, the PRC's legislative bodies have passed laws and regulations dealing with such economic matters as foreign investment, corporate organisation and governance, commerce, taxation and trade. The legislative tendency since that time has been to grant increased protection to foreign investors. In this way, significant progress has been made in the legal system of the PRC.

Despite significant improvement in developing its legal system, there remain uncertainties and/or inconsistencies in the enforcement of existing laws and regulations. Most current PRC legislation has been passed relatively recently. As a result, there is a lack of established practice regarding the implementation, interpretation and enforcement of these laws. For this reason, the interpretation of these laws and regulations may be more volatile and less predictable.

These uncertainties in the legal system may cause delays in any potential litigation and limit the legal protection that is offered to potential litigants. Any litigation in the PRC may be protracted and result in substantial legal costs and/or significant diversions of resources and management attention. Further, litigation found in favour of the Company may be difficult to enforce in the PRC. The occurrence of one or several of these risks could have material and adverse impacts on the Company's business, financial condition and operational results.

5.2.13 Lack of diversity in business activities

The main business activity of Wiseway is international air freight forwarding, which in FY2018 contributed approximately 95% of revenue. The lack of diversity in its business activities makes Wiseway's financial performance susceptible to airway trade volumes. The Company's revenue will be adversely impacted if there is a drop in airway trade volume for various reasons. However, Wiseway has been expanding its business scope into international sea freight forwarding, interstate and domestic logistics and cold chain logistics services. The Company has been actively investing in assets and human resources and has acquired necessary licences and approvals to conduct these services. The Company has achieved great progress in these business areas and will keep expanding its capabilities in conducting these services.

5.2.14 Insurance coverage

Insurance against all risks associated with the transport and logistics industry is not always available and the cost can be excessive. Any uninsured loss or damage, litigation or business disruption may result in substantial loss to the Company and its subsidiaries, which could have a material and adverse effect on the Company or its subsidiaries' business, net assets, financial condition, and operational results.

The risks of losses and damages of goods during transportation are usually covered by insurance at the expense of Wiseway's customers. Additionally, Wiseway has sought advice from its insurance agent and is engaged with insurers for insurance policies which cover warehouse damages and employee journey personal accidents. All vehicles owned by the Company have also been properly insured.

Section 5 – Risks continued

5.2.15 Acquisitions and investments risk

The Company regularly examines corporate and investment opportunities (including potential acquisitions) with a view to expanding its business operation and market shares and determining whether those opportunities will enhance its financial performance and position. The successful implementation of the Company's corporate and investment strategies will depend on a range of factors including potential funding strategies and challenges associated with integrating and adding value to a business which is acquired. Any corporate opportunity that the Company pursues could have a material adverse effect on the Company if it is not successfully implemented for a variety of reasons. In addition, in the course of expanding the Company's business into additional markets, failure to adapt the Company's business processes may impose a material adverse effect on the Company's financial performance.

5.2.16 Protection of intellectual property rights

The Company believes that reputation and brand recognition are vital to its business and effective protection of intellectual property rights is critical to its interests. The Company currently holds registered intellectual property rights in Australia. However, it does not hold intellectual property rights in foreign jurisdictions. Failure to register the Company's intellectual property in foreign jurisdictions, and particularly in China in which the Company predominately operates, or into which the business proposes to expand in future may affect the ability of the Company to enforce claims of intellectual property infringement. Further, there is risk that other companies may register the Company's intellectual property in their name, meaning that the Company will not be able to use its intellectual property in those jurisdictions.

Further, the Company cannot ensure that there will not be any unauthorised usage or misuse of the Company's brand. Any such infringement of the Company's intellectual property rights in respect of its trademarks may be detrimental to the Company's reputation, lead to litigation or adversely affect financial performance.

5.2.17 Negative publicity and damage to brand and reputation

Any negative publicity or announcement relating to any of our substantial shareholders, key personnel, the Company or Wiseway Group as a whole may adversely affect the brand and reputation of the Company and the Share price performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions or other affairs or scandals.

5.3 General risks of an investment in Wiseway

5.3.1 Share prices may fall

The price of the Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors. There is no assurance that the price of Shares will increase following quotation on ASX, even if the Company's earnings meet or exceed forecasts. The factors which may affect the price of Shares include but are not limited to:

- general economic conditions including interest rates, exchange rates, inflation rates and commodity prices;
- fluctuations in the local and global market for listed stocks;
- changes to government policy, legislation or regulation;
- inclusion in or removal from market indices (including the various S&P/ASX indices);
- the nature of markets in which the Company operates; and
- general and operational business risks.

Other factors that may negatively affect the investor sentiment and influence the Company specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities, fires, flood, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man made or natural events.

5.3.2 Trading in Shares may not be liquid

The Escrowed Shareholders will hold approximately 56.6% of the Shares following Completion of the Offer, which may impact on liquidity. The Escrowed Shareholders have entered into voluntary escrow arrangements in relation to 99.9% of the Shares they hold immediately following Completion of the Offer. A summary of the escrow arrangements is set out in Section 9.6. The absence of any sale of Shares by the Escrowed Shareholders during this period may cause, or contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

5.3.3 Taxation changes may negatively affect Wiseway or investors directly

There is the potential for changes to tax laws and changes in the way tax laws are interpreted. Any change to the current tax rates imposed on Wiseway (including in foreign jurisdictions that Wiseway may operate) is likely to affect returns to Shareholders.

An investment in the Shares involves tax considerations which differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in Wiseway.

5.3.4 Shareholders may be diluted

In the future, Wiseway may elect to issue shares or engage in capital raisings to fund investments or acquisitions that Wiseway may decide to undertake. While Wiseway will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of shares and capital raisings.

5.3.5 Wiseway may not be able to secure future debt funding on acceptable terms

Wiseway may seek debt finance in the future to support growth. The terms which debt financiers are willing to offer in the future may depend on macroeconomic conditions at the time, the tenor of the facilities, the performance of Wiseway and the risks associated with the proposed use of funds. Wiseway is subject to the risk that it may not be able to refinance its future bank facilities as and when they fall due, or that the terms available to Wiseway on refinancing will not be as favourable as the terms of its future bank facilities. An inability for Wiseway to secure debt funding on reasonable terms in the future could constrain growth and could adversely impact Wiseway operating and financial performance.

5.3.6 General economic and financial market conditions may impact on Wiseway financial performance

Demand for Wiseway products and services is affected by general economic conditions in Australia, as well as general economic conditions globally. A prolonged downturn in general economic conditions, or other macroeconomic factors, may affect Wiseway customers and in turn result in reduced demand or pricing for certain products or services. The structure and segment dynamics of the industries in which Wiseway operates may also be affected. These events could be expected to have a material impact on Wiseway business and financial performance.

5.3.7 Accounting standards may change

Australian Accounting Standards are set by the AASB and are outside the control of Wiseway and the Directors. The AASB is due to introduce new or refined Australian Accounting Standards during the period from 2015 to 2018, which may affect future measurement and recognition of key statement of profit and loss and balance sheet items, including sales and receivables.

There is also the risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit and loss and balance sheet items, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in Wiseway consolidated financial statements.

Section 5 – Risks continued

5.3.8 Dividends may not be paid or if paid may not be fully franked

Depending on available profits and the financial position of Wiseway, it is the current intention of the Board to pay dividends. The payment of dividends by Wiseway is at the complete discretion of the Directors. The payout ratio is expected to vary between periods depending on the factors outlined in Section 4.10 and, in particular, should strategic growth, acquisition or investment opportunities arise, it may result in a payout ratio in the future that is less than the Company's target range.

No assurances can be given by any person, including the Directors, about the payment of any dividend.

Wiseway expects future dividends to be franked to the maximum extent possible. However, there is no guarantee that Wiseway will have sufficient franking credits in the future to fully frank dividends or that the franking system will not be varied or abolished. In addition, if the proportion of Wiseway earnings from offshore operations increases, it may not be possible to fully frank dividends.

The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

5.3.9 Wiseway may fail to meet its occupational health and safety obligations

Wiseway must comply with laws and regulations in respect of occupational health and safety. If the Company breaches these laws and regulations, including for example where Wiseway is held responsible for an injury or death, Wiseway could be subject to sanctions and penalties. Workplace accidents and incidents may adversely affect Wiseway safety record and reputation, which may make it difficult for Wiseway to hire and retain employees, and to win and retain customers.

5.3.10 Wiseway may be involved in disputes or litigation

Wiseway may be subject to litigation, complaints and other claims or disputes, regulatory inquiries or investigations and other enforcement action initiated by customers, employees, suppliers, regulators or other third parties in the course of its business. Such matters may adversely affect Wiseway financial performance and position. Even if such matters are successfully defended or settled without financial consequences, they may have an adverse effect on Wiseway reputation.

5.3.11 Wiseway could be impacted by force majeure events

Events may occur within or outside Australia that may have potential impacts on the Australian economy, the operations of Wiseway and the price of Shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Wiseway products and services and its ability to conduct business.



6

Key People, Interests and Benefits

Section 6 – Key People, Interests and Benefits continued

6.1 Board of Directors

The Board comprises six members, consisting of the Independent Non-Executive Chairman, two Executive Directors, and three Non-Executive Directors. The composition of the Board committees and details of its key corporate governance policies are set out in Section 6.5.

The Directors of the Company bring to the Board a variety of skills and experience, including industry and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out below:

Director	Expertise, experience and qualifications
 <p>Geoff Raby Independent Non-Executive Chairman</p>	<p>Dr Geoff Raby was Australia's Ambassador to China from 2007 to 2011. Dr Raby also served as Australia's Ambassador to the World Trade Organisation (WTO) and to Asia-Pacific Economic Cooperation (APEC).</p> <p>Following the completion of his Ambassadorial term to China and after 27 years in the public service mostly with Department of Foreign Affairs and Trade (DFAT) of Australia, he resigned to establish Geoff Raby and Associates Ltd, a strategic advisory consultancy business based in Beijing.</p> <p>Dr Raby is currently a non-executive, independent director of ASX-listed companies, Yancoal Australia Limited (ASX: YAL) and OceanaGold Corporation (ASX: OGC). He was previously an independent non-executive director of Fortescue Metals Group Limited (ASX: FMG), iSentia Group Limited (ASX: ISD) and the Chairman of SmartTrans Holdings Limited (ASX: SMA). He is also the Co-Chair of Corrs Chambers Westgarth's China practice.</p> <p>Dr Raby is a member of the Australian Institute of Company directors, the non-for-profit Advance Global Advisory Board, University of Sydney's China Studies Centre Advisory Board, and La Trobe University's Asia Advisory Board.</p> <p>Dr Raby attended La Trobe University and graduated with a bachelor's degree (Honours), a master's degree and a PhD in economics.</p>
 <p>Peter Hogan Independent Non-Executive Director</p>	<p>Mr Hogan is a Chartered Accountant who commenced his career with the Australian Taxation Office (ATO) in 1969 where he worked in the Assessing, Investigation and Appeals branches, including four years in senior management positions.</p> <p>Mr Hogan left the ATO in 1985 to join Coopers & Lybrand (C&L) as a Tax Manager. In 1991 he was admitted as a Tax Partner of C&L which subsequently merged with Price Waterhouse in 1998 to form PricewaterhouseCoopers (PwC). After 23 years with PwC, including 17 years as a corporate tax partner advising public and private companies and Australian subsidiaries of multi-national groups on corporate tax matters, he retired from PwC on 31 March 2008.</p> <p>Mr Hogan is currently a non-executive Chairman of Carbon Energy Limited (ASX: CNX), a non-executive director of OneAll International Limited (ASX: 1AL) and is an Advisory Board Member of The Australian Charities & Not-For-Profit Commission (ACNC), which is the regulator for the Australian charity sector. Previously he also served as a director of SGX-listed Fabchem China Limited.</p> <p>Mr Hogan is also the Deputy Chair of Villa Maria Catholic Homes Limited which operates in the aged care, retirement living, affordable housing, disability and disability education sectors.</p> <p>In the past 3 years, Mr Hogan was a board member of St Bernard's College, Essendon, where he served for 20 years, including 6 years as Chair, and was a director and Treasurer of the Edmund Rice Foundation (Australia) which supports education and health projects in Australia, the Oceania region and Africa.</p>

Director	Expertise, experience and qualifications
 <p>The Hon. Nick Bolkus Independent Non-Executive Director</p>	<p>Mr Bolkus is a former politician, who was first elected to the Senate in 1980, being one of the Australian Parliament's longest serving and most experienced senators. He had been a minister of the Federal Government for 8 years, serving in the Cabinet for 6 of these years, and also served on the Opposition front bench for over 6 years.</p> <p>During his parliamentary years, Mr Bolkus was appointed to several federal ministerial positions including Minister for Consumer Affairs and Minister Assisting the Treasurer, Minister for Administrative Services, Minister for Immigration and Ethnic Affairs, and Minister Assisting the Prime Minister for Multicultural Affairs. Throughout his time in government, Mr Bolkus pursued reform agendas in legal, economic, immigration, environmental and indigenous issues. Nick has always been acutely aware of the important contribution Corporate Australia can make to this nation's social and environmental policy.</p> <p>Post his political career, Mr Bolkus was one of three Partners with the Hon. Alexander Downer, the former Australian Minister for Foreign Affairs and Mr Ian Smith, the former Chairman of Gavin Anderson Australia, in a corporate advisory firm called Bespoke Approach. Mr Bolkus is now operating his own business.</p> <p>Mr Bolkus is currently an independent non-executive director of AustChina Holdings Limited (ASX: AUH), the Chair of Nuturf Australia Pty Ltd and Envirogreen Pty Ltd, and a director of 12 companies privately owned by the Cheung Kong Corporation. Mr Bolkus is also the Adviser to the Australian Hokkien Association.</p>
 <p>Stephen Chan Independent Non-Executive Director</p>	<p>Mr Chan is the Chief Executive Officer of SCF Global Group. He has over 52 years experience in mergers and acquisitions, freight forwarding and supply chain industries as an operator and investor in the Asian marketplace.</p> <p>Mr Chan started his career with Air France in 1966. He joined MSAS in 1969 and rose through its ranks to become its Chief Executive Officer (Asia) based in Singapore. MSAS merged with EXEL in 2000 to create a US\$6 billion logistics company. Upon his retirement, Stephen was appointed as Deputy Chairman Asia for EXEL Group (subsequently acquired by DHL and now known as DHL-Exel Supply Chain).</p> <p>In 2000, Mr Chan was approached by Hewlett-Packard to assist in their online store and HP Intel Home Delivery Program, hence, the birth of SC Fulfil Pte Ltd (now SCF Global). Today, SCF Global has grown to provide Multi-Party e-Logistics solutions that includes 4PL, Supply Chain Advisory and Value Added Services to Hewlett-Packard, On-Semi, UTC and other MNC's in the Asia Pacific Region. The company provides unique market leading IT solutions for the Supply Chain Industry and is a WiseTech Business and Service Partner. SCF Global is now leading its WiseTech service partner in Asia, helping over 60 customers deploy CargoWise.</p> <p>Mr Chan also participates in government and community led initiatives and has received the Honorary Fellows Award from Supply Chain Asia in recognition of his services to the industry over the last 50 years.</p>
 <p>Florence Tong Managing Director</p>	<p>Ms Tong is the co-founder and Managing Director of Wiseway and has 13 years experience in the logistics industry. Since 2005, Ms Tong led the growth of Wiseway through setting up key partnerships with major airlines in Australia and China, and large eCommerce platforms.</p> <p>Prior to founding Wiseway, Ms Tong spent seven years in financial services at St George Bank and ANZ Bank, working with large institutional and corporate clients. Ms Tong also worked in Boise Cascade Group, a Fortune 500 company, where she assisted the Group's investment in China and the creation of its US-China joint venture.</p> <p>Ms Tong obtained a Bachelor of Science in a top-tier university in China and was admitted to the Master Degree Program as a result of academic excellence. She also obtained two post-Graduate Diplomas in Accounting and Finance at Waikato University (New Zealand) and University Technology Sydney respectively.</p>

Section 6 – Key People, Interests and Benefits continued

Director	Expertise, experience and qualifications
 <p>Roger Tong Executive Director and Chief Executive Officer</p>	<p>Mr Tong is the co-founder and Chief Executive Officer of Wiseway bringing more than 20 years of logistics industry experience in both Australia and China. Mr Tong co-founded Wiseway in 2005 with a view to build on the strengthening trade relationship between China and Australasia.</p> <p>Prior to founding Wiseway, Mr Tong worked as a marketing director for a large Chinese national logistics company where he was responsible for developing the company's international express services and creating global business partnerships. From 2000 to 2003, Mr Tong also worked as a software developer and project manager for an Australian e-learning start-up, where he helped develop the digital curriculum for an e-university for the UK government.</p> <p>Mr Tong obtained a Master of Management in Finance with Distinction from Waikato University (New Zealand). Mr Tong also obtained a Master of Management from Huazhong University of Science and Technology and a Bachelor of Mathematics from Xi'an Jiaotong University.</p>

6.1.1 Directors' Disclosure

Each Director above has confirmed to the Company that he or she anticipates being able to perform his or her duties as a Director without constraint from other commitments.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.2 Senior management

The following table provides information regarding the senior management team of Wiseway, including their position and expertise.

Senior Management	Expertise, experience and qualifications
 <p>Florence Tong Managing Director</p>	<ul style="list-style-type: none"> • See Section 6.1

Senior Management	Expertise, experience and qualifications
 <p>Roger Tong Executive Director and Chief Executive Officer</p>	<ul style="list-style-type: none"> • See Section 6.1
 <p>Mark Ziirsen Chief Financial Officer</p>	<ul style="list-style-type: none"> • Mr Ziirsen is a senior finance executive having held senior finance leadership roles with major ASX listed companies including Cochlear Limited (ASX: COH), Aristocrat Leisure Limited (ASX: ALL), Coca-Cola Amatil Limited (ASX: CCA) and Goodman Fielder Limited (ASX: GFF). He also has significant experience guiding early stage growth companies including Power Brewing Company Limited (ASX: PPL), Admedus Limited (ASX: AHZ), SmartTrans Holdings Limited (ASX: SMA) and Respiri Limited (ASX: RSH). • He commenced his career with Ernst and Young (then Ernst and Whinney) in 1985 where he worked in business advisory, tax and management consulting. Most recently he was Chief Financial Officer of Admedus Limited (ASX: AHZ) and immediately prior to that Director of Finance and IT for Asia Pacific at Cochlear Limited (ASX: COH). • Mr Ziirsen has wide ranging experience and a strong track record of delivering growth and significant improvement across multiple industry sectors (FMCG, technology, health) and geographies, including having worked extensively in Asia for more than 25 years. His strong finance and operations credentials are complemented by extensive corporate finance, governance, risk management, strategy, M&A and investor relations skills. • Mr Ziirsen was a non-executive director of SmartTrans Holdings Limited (ASX: SMA) where he also chaired the Audit and Risk Committee and was a member of the Remuneration Committee. Currently, he is a non-executive director and Chair of Respiri Limited (ASX: RSH). • Mr Ziirsen's qualifications include a bachelor of commerce, CPA designation and an MBA majoring in international business. He is also a member of the Australian Institute of Company Directors.
 <p>Ivan Lim Chief Technology Officer</p>	<ul style="list-style-type: none"> • Mr Lim has been in the IT sector for over 20 years. He has diverse experience across software development, testing and implementation. He has built and integrated on various web applications, including the likes of Ebay. In recent years, he was involved in projects with mobile payments, such as Westpac Genie and Paypal's global Tap and Pay SDK. • Mr Lim is a believer in Lean UX and commits to the challenges of balancing time and cost for optimal outcomes. Mr Lim intends to lead and digitally transform the freight forwarding industry. Prior to joining Wiseway Mr Lim has managed a retail business and an agriculture firm in Africa.

Section 6 – Key People, Interests and Benefits continued

Senior Management	Expertise, experience and qualifications
 <p>Scott Higgins National Perishables Manager</p>	<ul style="list-style-type: none"> • Mr Higgins joined Wiseway as the National Perishables Manager in 2018. Scott has over 30 years of experience in the logistics industry. Prior to joining Wiseway, he was the perishables export manager at CT Freight from 2009 to 2016 and then the perishables and livestock manager at DHL Global Forwarding from 2016 to 2018. • Mr Higgins started off in Panipina in both Sydney and Melbourne from 1984-1989 as the perishables airfreight supervisor. He then worked as a manager in several logistics companies from 1989 to 2009 including Pace Express, Halford Youngs, ASI logistics, VIP Airfreight, Wilson Logistics and TNT Logistics.

6.3 Interests and Benefits

This Section 6.3 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 or SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company or SaleCo; or
- underwriter of the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

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

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

and no other 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.

6.3.1 Directors' and managements' interests and remuneration

The Company's Managing Director, Executive Directors, CEO, Non-Executive Directors and CFO and other members of senior management are employed under individual contracts of employment with the Company. The contracts set out:

- The individual's total fixed compensation, including fixed cash remuneration and the Company's superannuation contribution;
- Eligibility to participate in any incentive scheme (e.g. annual bonuses or securities ownership plans) which may be implemented by the Company;
- Notice and termination provisions; and
- Employee entitlements including leave.

The Company makes contributions with respect to the senior executives to complying superannuation funds in accordance with relevant superannuation legislation and the individual contracts of employment.

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director. However, under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors fees approved by Shareholders at the Company's general meeting. This amount has initially been fixed by the Company at \$700,000. In respect of FY2019, the fees payable to the current Non-Executive Directors will not exceed \$370,000 in aggregate. The annual Directors' fees currently agreed to be paid to the Chairman is \$130,000 (inclusive of superannuation) and to the other Non-Executive Directors is \$80,000 (inclusive of superannuation).

A summary of the directors' and the managements' employment agreements is set out below.

Executive	Interest and remuneration description
<p>Geoff Raby Non-Executive Chairman</p>	<p>The Company has entered into a letter of appointment with Geoff Raby to govern his employment with the Company as the Non-Executive Chairman.</p> <p>Geoff will receive fixed remuneration of \$130,000 (inclusive of superannuation) for the first year of his employment effective from 1 August 2018. The Company has also decided to issue shares in the Company in lieu of his remuneration incurred prior to the IPO date at a time prior to the lodgement of the Prospectus (calculated based on reasonable market rate at the time of issue). In the event that other duties or services that are deemed by the Board to be in addition to the ordinary duties of his office, he may be remunerated for those services in addition to the annual fixed fees. The Company will also reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.</p> <p>Geoff's appointment may be terminated immediately if he becomes disqualified from managing a corporation under the Corporations Act, is removed as a director, or is not re-elected to the Board after mandatory retirement pursuant to the terms of the Constitution and the Listing Rules.</p>
<p>Roger Tong Executive Director and Chief Executive Officer (CEO)</p>	<p>The Company has entered into an executive services agreement with Roger Tong to govern his employment with the Company as Executive Director and Chief Executive Officer.</p> <p>Roger will receive annual fixed remuneration of \$250,000 (exclusive of superannuation). He will also be eligible to participate in any incentive scheme that may be implemented by the Company. Roger will be entitled to performance bonus of up to a maximum of 30% of his annual fixed remuneration depending on the achievement of the KPI's to be assessed by the Board in its discretion.</p> <p>Roger may terminate his employment contract by giving six months' notice in writing. The Company may terminate by giving six months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other similar circumstances, the Company may terminate Roger's executive services agreement immediately without notice.</p> <p>Upon the termination of Roger's executive services agreement, he will be subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>

Section 6 – Key People, Interests and Benefits continued

Executive	Interest and remuneration description
<p>Florence Tong Managing Director</p>	<p>The Company has entered into an executive services agreement with Florence Tong to govern her employment with the Company as Managing Director.</p> <p>Florence will receive annual fixed remuneration of \$250,000 (exclusive of superannuation). She will also be eligible to participate in any incentive scheme that may be implemented by the Company. Florence will be entitled to performance bonus of up to a maximum of 30% of her annual fixed remuneration depending on the achievement of the KPI's to be assessed by the Board in its discretion.</p> <p>Florence may terminate her employment contract by giving six months' notice in writing. The Company may terminate by giving six months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other circumstances, the Company may terminate Florence's executive services agreement immediately without notice.</p> <p>Upon the termination of Florence's executive services agreement, she will be subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>
<p>Mark Ziirsen Chief Financial Officer (CFO) and Company Secretary</p>	<p>The Company has entered into an executive services agreement with Mark Ziirsen to govern his employment with the Company as CFO and Company Secretary.</p> <p>Mark will receive annual fixed remuneration of \$300,000 (exclusive of superannuation). Mark will also be eligible to participate in any incentive scheme that may be implemented by the Company. Mark will be entitled to performance bonus of up to a maximum of 30% of his annual fixed remuneration depending on the achievement of the KPI's to be assessed by the Board in its discretion. Mark will also receive the number of Shares (in the form of performance rights) equivalent to 1% of the pre-IPO enterprise value. Please refer to Section 6.4.2 for details of the performance rights to be issued to Mark.</p> <p>Mark may terminate his employment contract by giving three months' notice in writing. The Company may terminate by giving six months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other circumstances, the Company may terminate Mark's executive services agreement immediately without notice.</p> <p>Upon the termination of Mark's executive services agreement, he will be subject to a restraint of trade period of six months. The enforceability of the restraint clause is subject to all usual legal requirements.</p>
<p>Nick Bolkus Non-Executive Director</p>	<p>The Company has entered into a letter of appointment with Nick Bolkus to govern his employment with the Company as the Non-Executive Director.</p> <p>Nick will receive fixed remuneration of \$80,000 (inclusive of superannuation) for the first year of his employment effective from 4 July 2018. The Company has also decided to issue shares in the Company in lieu of his remuneration incurred prior to the IPO date at a time prior to the lodgement of the Prospectus (calculated based on reasonable market rate at the time of issue). In the event that other duties or services that are deemed by the Board to be in addition to the ordinary duties of his office, he may be remunerated for those services in addition to the annual fixed fees. The Company will also reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.</p> <p>Nick's appointment may be terminated immediately if he becomes disqualified from managing a corporation under the Corporations Act, is removed as a director, or is not re-elected to the Board after mandatory retirement pursuant to the terms of the Constitution and the Listing Rules.</p>

Executive	Interest and remuneration description
<p>Peter Hogan Non-Executive Director</p>	<p>The Company has entered into a letter of appointment with Peter Hogan to govern his employment with the Company as the Non-Executive Director.</p> <p>Peter will receive fixed remuneration of \$80,000 (inclusive of superannuation) for the first year of his employment effective from 26 June 2018. The Company has also decided to issue shares in the Company in lieu of his remuneration incurred prior to the IPO date at a time prior to the lodgement of the Prospectus (calculated based on reasonable market rate at the time of issue). In the event that other duties or services that are deemed by the Board to be in addition to the ordinary duties of his office, he may be remunerated for those services in addition to the annual fixed fees. The Company will also reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.</p> <p>Peter's appointment may be terminated immediately if he becomes disqualified from managing a corporation under the Corporations Act, is removed as a director, or is not re-elected to the Board after mandatory retirement pursuant to the terms of the Constitution and the Listing Rules.</p>
<p>Stephen Chan Non-Executive Director</p>	<p>The Company has entered into a letter of appointment with Stephen Chan to govern his employment with the Company as the Non-Executive Director.</p> <p>Stephen will receive fixed remuneration of \$80,000 (inclusive of superannuation) for the first year of his employment effective from 16 March 2018. The Company has also decided to issue shares in the Company in lieu of his remuneration incurred prior to the IPO date at a time prior to the lodgement of the Prospectus (calculated based on reasonable market rate at the time of issue). In the event that other duties or services that are deemed by the Board to be in addition to the ordinary duties of his office, he may be remunerated for those services in addition to the annual fixed fees. The Company will also reimburse him for all reasonable and properly documented expenses incurred in performing the duties of his office.</p> <p>Stephen's appointment may be terminated immediately if he becomes disqualified from managing a corporation under the Corporations Act, is removed as a director, or is not re-elected to the Board after mandatory retirement pursuant to the terms of the Constitution and the Listing Rules.</p>
<p>Ivan Lim Chief Technology Officer (CTO) of Wiseway Logistics</p>	<p>WiseWay Logistics has entered into an employment contract with Ivan Lim to govern his employment with the Company as Chief Technology Officer commencing from 29 May 2017.</p> <p>Ivan will receive annual fixed remuneration of \$170,000 (exclusive of superannuation). Ivan will also be eligible to participate in any incentive scheme that may be implemented by the Company. Please refer to Section 6.4.2 for details of the performance rights to be issued to Ivan.</p> <p>Either Wiseway Logistics or Ivan may terminate Ivan's employment contract by written notice. The notice period required depends on the length of continuous service, the longer the continuous service period, the longer notice period is required. The maximum notice period is 11 weeks if Ivan is of the age of 45 years and has at least two years' service.</p>

Section 6 – Key People, Interests and Benefits continued

Executive	Interest and remuneration description
<p>Scott Higgins National Perishables Manager of Wiseway Logistics</p>	<p>Wiseway Logistics has entered into an employment contract with Scott Higgins to govern his employment with the Company as the National Perishables Manager commencing from 28 May 2018.</p> <p>Scott will receive annual fixed remuneration of \$130,000 (exclusive of superannuation). Scott will also be eligible to participate in any incentive scheme that may be implemented by the Company. Please refer to Section 6.4.2 for details of the performance rights to be issued to Scott.</p> <p>Either Wiseway Logistics or Scott may terminate Scott's employment contract by written notice. The notice period required depends on the length of continuous service. The longer the continuous service period, the longer notice period is required. The maximum notice period is 6 weeks if Ivan has more than 5 years' service. And if he is over the age of 45 years and has at least two years' service, he is entitled to one additional week's notice of termination. Upon the termination of Scott's employment contract, he will be subject to a restraint of trade period of twelve months.</p>

6.3.2 Directors' and managements' interests in Shares and other securities

Directors are not required under the Constitution to hold any Shares. The Directors are entitled to apply for Shares under the Offer. Final Directors' shareholdings will be notified to ASX following Listing. The Directors' interest in Shares (either personally or through entities associated with the Director) as at the date of this Prospectus are outlined below:

Director	Role	Shares held prior to the Offer	Shares held at Completion of the Offer
Florence Tong	Managing Director	37,161,266	31,089,175
Roger Tong	Executive Director and CEO	37,161,266	31,089,175
Geoff Raby	Non-Executive Chairman	65,000	65,000
Nick Bolkus	Non-Executive Director	40,000	40,000
Peter Hogan	Non-Executive Director	40,000	40,000
Stephen Chan	Non-Executive Director	838,309 ¹	838,309 ¹

1. Stephen Chan holds 40,000 Shares in his own name and control, and holds 798,309 Shares beneficially through Golden Fortune Sky Limited of which he is the sole director and 100% shareholder.

The managements' interests in Shares (either personally or through entities associated with the management) as at the date of this Prospectus are outlined below:

Director	Role	Shares held at Completion of the Offer	Performance Rights held at Completion of the Offer ¹
Mark Ziirsen	CFO and Company Secretary	Nil	934,000
Ivan Lim	CTO of Wiseway Logistics	Nil	140,100
Scott Higgins	National Perishables Manager of Wiseway Logistics	Nil	37,360

1. Please refer to Section 6.4.2 for the terms of the Performance Rights.

6.3.3 Interests of advisers

The following entities have been engaged as professional advisers to various members of the Wiseway Group for the purposes of the Offer. The details of work provided and the fees payable are summarised below.

Adviser	Role	Fee (inclusive of taxes) ^{1,2}
Bell Potter Securities Limited	Lead Manager to the Company	Please see Section 9.3.1
Baker & McKenzie	Australian legal adviser to the Company	\$319,000
KPMG	Accountant providing Tax Due Diligence to the Company	\$165,000
KPMG Transaction Services	Investigating Accountant to the Company and has prepared the Investigating Accountant's Report in Section 8	\$660,000
Frost & Sullivan	Independent expert to the Company and has prepared the Independent Market Report in Section 2	\$23,650

1. These amounts and other expenses of the Offer will be paid by the Company (or one of its subsidiaries) out of funds raised under the Offer. Further information on the use of proceeds from the Offer and costs of the Offer are set out in Sections 7.1.2 and 9.10 respectively.

2. The Company has paid, or agreed to pay such amount for relevant services of the service provider up until the Prospectus Date. Further amounts may be paid for other work in accordance with the service provider's normal time-based charges.

Section 6 – Key People, Interests and Benefits continued

6.4 Employee Incentive Arrangements

6.4.1 Employee Incentive Plan

The Company has adopted the Employee Incentive Plan (**EIP**) in order to assist in the motivation and retention of selected Company employees. The EIP is designed to align the interests of eligible employees more closely with the interests of the Company by providing an opportunity for eligible employees to receive an equity interest in the Company. Under the EIP, eligible employees may be offered Performance Rights, Options, Deferred Share Awards or Exempt Share Awards which may be subject to vesting conditions set by the Board.

The key terms of the EIP are as follows:

Term	Description
Awards	<p>Under the EIP, the Company may offer or issue to eligible employees:</p> <ul style="list-style-type: none"> • Performance Rights – rights to be issued or provided with fully paid ordinary Shares in the Company at nil issue price upon specific vesting conditions being achieved. • Options – rights to be issued or provided with Shares upon payment of an exercise price and which can only be exercised if specific vesting conditions are achieved. • Share awards – Shares issued to employees in lieu of or in addition to wages, salary or bonus. • Exempt Share awards – Shares issued for no consideration or at an issue price which is a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997 from time to time) of the total value or discount received by each employee which will be exempt from tax.
Eligible employees	Awards may be granted at the discretion of the Board to any person who is an employee, officer, Director or consultant of Wiseway Group.
Price	The Board has discretion to determine the issue price and/or exercise price for the Awards.
Vesting and exercise of Awards	The Awards held by a participant will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the EIP. Vesting conditions may be waived at the discretion of the Board.
Change of control	In the event a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid, the Board may waive unsatisfied vesting conditions in relation to some or all Awards. Further, if a takeover bid is made to acquire all of the issued Shares of the Company, participants may accept the takeover bid in respect of any Awards (other than exempt Share awards) which they hold notwithstanding the restriction period in respect of those Awards has not expired.
Claw-back	If any vesting conditions of an Award are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the Employee Incentive Plan, the Board may determine that the relevant Awards expire (if not yet exercised), or it may otherwise recover from the participant some or all Shares issued upon exercise of the Awards or any proceeds received from the sale of those Shares.
Variation of Share capital	If prior to the exercise of an Award, the Company undergoes a reorganisation of capital or bonus issue, the terms of the Awards will be changed to the extent necessary to comply with the ASX Listing Rules.

The Shares to be issued to Eligible Employees under the Employee Gift Offer will be issued as Share Awards under the EIP. Approximately 40 employees will be eligible to participate in the Employee Gift Offer. If all participate, 180,000 Shares will be issued to Eligible Employees under the EIP.

6.4.2 Long-term incentive plan

Based on the EIP, the Company has also established a Long Term Incentive Plan (**LTIP**) to encourage the high performance of its key management personnel and other senior management personnel in order to promote the long-term success of the Company. The LTIP is an equity-based plan which is delivered in the form of Performance Rights. These Performance Rights have a three year vesting period and will only vest if performance targets are met at the end of this period.

The table below sets out a summary of the terms and conditions of the Performance Rights that has been offered to its key management personnell as at the date of this Prospectus.

Term	Description																		
Issue Date	On Completion of the Offer																		
Participants	Mark Ziirsen, Ivan Lim, Anthony Roberts, Scott Higgins and other senior management personnel determined by the Board.																		
Number or Performance Rights issued	<table border="1"> <thead> <tr> <th>Name</th> <th>Position</th> <th>Number of Performance Rights to be issued</th> </tr> </thead> <tbody> <tr> <td>Mark Ziirsen</td> <td>CFO and Company Secretary of the Company</td> <td>934,000</td> </tr> <tr> <td>Ivan Lim</td> <td>CTO of Wiseway Logistics</td> <td>140,100</td> </tr> <tr> <td>Scott Higgins</td> <td>Perishables Manager of Wiseway Logistics</td> <td>37,360</td> </tr> <tr> <td>Senior management personnel</td> <td></td> <td>289,540</td> </tr> <tr> <td>Total</td> <td></td> <td>1,401,000</td> </tr> </tbody> </table>	Name	Position	Number of Performance Rights to be issued	Mark Ziirsen	CFO and Company Secretary of the Company	934,000	Ivan Lim	CTO of Wiseway Logistics	140,100	Scott Higgins	Perishables Manager of Wiseway Logistics	37,360	Senior management personnel		289,540	Total		1,401,000
Name	Position	Number of Performance Rights to be issued																	
Mark Ziirsen	CFO and Company Secretary of the Company	934,000																	
Ivan Lim	CTO of Wiseway Logistics	140,100																	
Scott Higgins	Perishables Manager of Wiseway Logistics	37,360																	
Senior management personnel		289,540																	
Total		1,401,000																	
Entitlements	Each Performance Right that vests entitles the Participants to subscribe for one fully paid ordinary share in the capital of the Company.																		
Quotation	Performance Rights granted under the LTIP will not be quoted on the ASX. The Company will make application to the ASX for official quotation of Shares issued on Performance Rights becoming vested and being exercised.																		
Performance Rights Restrictions	The Participants will not be entitled to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Performance Rights, or agree to do any of those things, unless the Board determines otherwise, during the Restrictions Period.																		
Restriction Period	None																		
Issue price per Performance Right	Nil																		
Exercise Price	Nil																		

Section 6 – Key People, Interests and Benefits continued

Term	Description																
Vesting Conditions	<p>The Performance Rights will be vested based on the following table provided that the Participants remain employees of any member entity in the Group as at the relevant Vesting Date.</p> <p>For Mark Ziirsen, the Vesting Dates are set out as below:</p> <table border="1" data-bbox="395 528 1423 748"> <thead> <tr> <th data-bbox="395 528 906 607">Vesting Date</th> <th data-bbox="911 528 1423 607">Percentage of the total offered Performance Rights to be vested</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 613 906 654">31 October 2019</td> <td data-bbox="911 613 1423 654">10%</td> </tr> <tr> <td data-bbox="395 660 906 701">31 October 2020</td> <td data-bbox="911 660 1423 701">20%</td> </tr> <tr> <td data-bbox="395 707 906 748">31 October 2021</td> <td data-bbox="911 707 1423 748">70%</td> </tr> </tbody> </table> <p>For other Participants, the Vesting Dates are set out as below:</p> <table border="1" data-bbox="395 837 1423 1057"> <thead> <tr> <th data-bbox="395 837 906 916">Vesting Date</th> <th data-bbox="911 837 1423 916">Percentage of the total offered Performance Rights to be vested</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 922 906 963">31 October 2019</td> <td data-bbox="911 922 1423 963">33.33%</td> </tr> <tr> <td data-bbox="395 969 906 1010">31 October 2020</td> <td data-bbox="911 969 1423 1010">33.33%</td> </tr> <tr> <td data-bbox="395 1016 906 1057">31 October 2021</td> <td data-bbox="911 1016 1423 1057">33.33%</td> </tr> </tbody> </table> <p>While the vesting condition applies to the Performance Rights, they are Unvested Performance Rights. If the vesting condition is not met, the relevant Unvested Performance Rights will be forfeited.</p>	Vesting Date	Percentage of the total offered Performance Rights to be vested	31 October 2019	10%	31 October 2020	20%	31 October 2021	70%	Vesting Date	Percentage of the total offered Performance Rights to be vested	31 October 2019	33.33%	31 October 2020	33.33%	31 October 2021	33.33%
Vesting Date	Percentage of the total offered Performance Rights to be vested																
31 October 2019	10%																
31 October 2020	20%																
31 October 2021	70%																
Vesting Date	Percentage of the total offered Performance Rights to be vested																
31 October 2019	33.33%																
31 October 2020	33.33%																
31 October 2021	33.33%																
Ceasing to be an employee	<p>In the event that the Participant resign or voluntarily cease to be an employee of the Group, or where the employment the Participant is terminated by the Company or Wiseway Logistics in accordance with his/her employment contract any Unvested Performance Rights at that time will be forfeited.</p> <p>In the event that the Participant cease to be an employee of the Group for reasons other than resignation, voluntary termination or termination by the Company or Wiseway in accordance with his/her employment contract Unvested Performance Rights will automatically vest.</p>																

6.5 Corporate governance

This Section explains how the Board will oversee the management of Wiseway's business. The Board is responsible for the overall corporate governance of Wiseway. The Board monitors the operational and financial position and performance of Wiseway and oversees its business strategy, including approving the strategic goals of Wiseway and considering and approving its annual business plan and the associated budget. The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return and sustaining the growth and success of Company. In conducting Wiseway's business with these objectives, the Board seeks to ensure that Wiseway is properly managed to protect and enhance Shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes appropriate for Wiseway's business.

The Board has adopted a Board Charter (**Charter**), which sets out the key corporate governance principles and procedures of the Company. The Charter and other corporate governance documents are available on the Company's website at www.wiseway.com.au. These key documents will be kept under review by the Board and amended from time to time.

The Charter and the other governance measures adopted reflect the Board's endorsement of the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 3rd edition, 2014 (**Principles**). Those Principles marked with ☉ either have not been fully implemented or are to be addressed during the FY2019 reporting year. The commentary addresses the reasons for the departure from the requirements.

Principle 1 – Lay solid foundations for management and oversight

- | | | |
|-----|---|---|
| 1.1 | The Board has outlined in its Charter, its roles and responsibilities and has established a clear distinction between its functions and those delegated to management. | ✓ |
| 1.2 | Appropriate checks including criminal record checks have been carried out on all Board members prior to their appointment. The Company will provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings. | ✓ |
| 1.3 | All Directors and senior executives have a written agreement with the Company or a member of Wiseway Group setting out the terms of their appointment. | ✓ |
| 1.4 | The Company Secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board. | ✓ |
| 1.5 | The Board has adopted a Diversity Policy (a copy of which is on the Company's website). The Diversity Policy requires the Board to set measurable objectives for obtaining gender diversity. The Board has not yet set measurable objectives but intends to review the diversity statistics within the Company and use those measures to formulate measurable objectives. | ✓ |
| 1.6 | At least once per year the Board will, with the advice and assistance of the Nomination and Remuneration Committee (NRC), review and evaluate the performance of the Board, each Board committee and each individual Director against the relevant charters, corporate governance policies, and agreed goals and objectives. | ✓ |
| 1.7 | Performance reviews for Executive Directors and Senior Management will take place at least annually. The NRC has accountability in its Charter to oversee these reviews and report to the Board on their outcomes. The Company intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed. | ✓ |

Section 6 – Key People, Interests and Benefits continued

Principle 2 – Structure the Board to add value

- 2.1 The Board has formed a Nomination and Remuneration Committee. The charter for the Nomination and Remuneration Committee is available on the Company's website. Membership of the Nomination and Remuneration Committee is: Nick Bolkus, Stephen Chan and Roger Tong. ✓
- 2.2 In establishing the Board, regard was had to the skills and expertise required of the Directors relevant to Wiseway's business and the Company's Listing in Australia. Directors with the desired skills and expertise were carefully selected for appointment to the Board. ✓
- 2.3 The Board Charter sets out the criteria adopted by the Board for considering if a Director is independent. ✓
& The Board is comprised of six members, three of whom are independent. Geoff Raby, Peter Hogan and Nick
- 2.4 Bolkus are considered independent as none of them has a material shareholding in the Company or is an adviser or supplier to the Company or has any other material contractual relationship with the Company other than their position as a Director. ✓
- 2.5 The Board recognises the recommendation that the chairman should be an independent Non-Executive Director and has accordingly appointed Geoff Raby, an independent, non-executive director as Chairman. ✓
- 2.6 All Non-Executive Directors have had an extensive induction into the business of the Company prior to accepting their appointment and have received continuing information on the Company and its operations since being appointed. The induction process has included presentations by management. ✓

Principle 3 – Act ethically and responsibly

- 3.1 The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on the Company's website. ✓

Principle 4 – Safeguard integrity in financial reporting

- 4.1 The Board has established an audit and risk committee (**ARC**). The audit and risk committee is comprised a majority of Non-Executive Directors. Its composition being Peter Hogan, Nick Bolkus, Florence Lee and Mark Ziirsen. ✓
A copy of the audit and risk committee's charter is on the Company's website.
- 4.2 The Board has not yet had to approve the entity's financial statements for a financial period and accordingly has not been required to receive relevant declarations from the CEO and CFO in respect of the financial records of the Group. It is the intention of the Board that these declarations will be required for both the half-year and full-year results and this fact has been communicated to both the CEO and CFO. ✓
- 4.3 The Company has not yet held an Annual General Meeting (**AGM**) but it is the intention of the Board to ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit. ✓

Principle 5 – Make timely and balanced disclosure

- 5.1 The Board has established a written continuous disclosure policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The continuous disclosure policy is on the Company's website. ✓

Principle 6 – Respect the rights of Shareholders

- 6.1 The Company has established a website which provides information about the Group, Directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between the Company and the Shareholders. ✓
- 6.2 The Company has not yet designed and implemented an investor relations program to facilitate effective two-way communication with investors, however, the Board recognises its importance and will put in place a tailored program following the Completion. ✓
- 6.3 The Board has adopted a Shareholder Communication Policy and will provide Shareholders with opportunities to have questions addressed at Shareholder meetings, irrespective of whether the Shareholder is able to attend. A copy of the Shareholder Communication Policy is on the Company's website. ✓
- 6.4 All Shareholders will be able to communicate with the Company and its share registry electronically, which is an encouraged method of communication. ✓

Principle 7 – Recognise and manage risk

- 7.1 The Board has established a combined audit and risk committee. The audit and risk committee is comprised majorly of Non-Executive Directors. Its composition being Peter Hogan, Nick Bolkus, Florence Lee and Mark Ziirsen. ✓
A copy of the audit and risk committee's charter is on the Company's website.
- 7.2 The risk management framework for the Wiseway Group has not yet been formally reviewed by the Board. The Board has appointed the ARC to assist it with discharging its oversight function in respect of material business risks and to determine if the system of risk management is sound. Outcomes of those reviews will be reported in the corporate governance statement annually. ✓
- 7.3 The Wiseway Group has various quality assurance functions throughout the business but not a dedicated internal audit function. It is the Board's intention that the ARC reviews the need for an internal audit function, the scope of any function should one be required and whether it will be insourced or outsourced. The outcome of the review will be reported in the Company's annual report. ✓
- 7.4 As mentioned under Principle 7.2, the Board expects a report on the risk management framework in September 2019 and has requested that management address economic, environmental and sustainability risks. The outcome of that review will be reported in the Company's annual report. ⊙

Principle 8 – Remunerate fairly and responsibly

- 8.1 The Board has formed a combined Nomination and Remuneration Committee (**NRC**). Membership of the Nomination and Remuneration Committee is: Nick Bolkus, Stephen Chan and Roger Tong. ✓
A copy of the charter for the NRC is provided on the Company's website.
- 8.2 The Board has adopted a remuneration policy for Non-Executive Directors. A remuneration policy for Executive Directors and other senior executives will be developed post Completion. A copy of the Non-Executive Director remuneration policy is provided on the Company's website. ✓
- 8.3 The Company's Securities Trading Policy prohibits participants of any equity-based remuneration scheme entering into transactions which limits the economic risk of a participant. ✓



**Details of
the Offer**

7

7.1 The Offer

This Prospectus relates to the Offer of 52.1 million Shares, comprising the issue of 40.0 million Shares by Wiseway and the sale of 12.1 million Shares by SaleCo, each at the Offer Price to raise approximately \$26.1 million (before costs and expenses).

The Selling Shareholders have irrevocably offered to sell shares (**Sale Shares**) to SaleCo free from any encumbrances and third party rights, and undertaken to deliver the Sale Shares to, or as directed by SaleCo on Completion of the Offer, subject only to:

- Payment of the consideration due to the Selling Shareholders; and
- the Receipt by SaleCo of proper instruments of transfer of and any documents of title to, the Sale Shares.

The Company may accept on behalf of SaleCo the irrevocable offers at any time before the End Date.

The total number of Shares on issue at Completion of the Offer will be 121.1 million and all Shares will, once issued, rank equally in all respects with the Shares currently on issue. A summary of the rights attaching to the Shares is set out in Section 9.5.

The Offer (other than the Employee Gift Offer) has been underwritten by the Lead Manager. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, is set out in Section 9.3.1.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises:

- the Broker Firm Offer – open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker (see Section 7.3);
- the Employee Gift Offer – whereby some Eligible Employees received a guaranteed allocation of Shares depending on length of employment by a member of Wiseway or associated entities (see Section 7.4);
- the Priority Offer (see Section 7.5); and
- the Institutional Offer – an invitation to bid for Shares made to Institutional Investors in Australia and in certain other eligible jurisdictions (see Section 7.6).

There is no general public offer of Shares. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares.

The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager and the Company. For further information regarding the allocation of Shares within each of the Broker Firm Offer, the Employee Gift Offer, the Priority Offer and the Institutional Offer, see Sections 7.3, 7.4, 7.5 and 7.6.

The Offer (other than the Employee Gift Offer) is underwritten by the Lead Manager. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, are set out in Section 9.3.1.

Section 7 – Details of the Offer continued

7.1.2 Purpose of the Offer and use of proceeds

At the Offer Price, the Offer will raise approximately \$26.1 million from New Shareholders.

The purpose of the Offer is to:

- provide Wiseway access to capital markets which it expects will provide additional financial flexibility to pursue further growth opportunities.
- allow Existing Shareholders to realise some of their investment in Wiseway.
- achieve a listing on ASX to broaden the Company's shareholder base and provide a liquid market for its Shares;
- assist Wiseway in attracting and retaining staff; and
- pay the costs of the Offer.

TABLE 7.1: SOURCES AND USES OF OFFER PROCEEDS

Sources	\$m	Uses	\$m
Cash proceeds received from the issue of Shares to New Shareholders under the Offer	26.1	Payment to the Founders for some of their shares in Wiseway	6.1
		Payment of costs of the Offer	3.0
		Capital expenditure	1.5
		Working capital	15.5
Total sources	26.1	Total uses	26.1

7.1.3 Shareholding structure

The details of the ownership of Shares as at the date of the Prospectus and Shares on Completion of the Offer are set out in Table 7.2 below:

TABLE 7.2: DETAILS OF THE OWNERSHIP OF SHARES

	Shares held prior to the Offer		Shares held at Completion of the Offer	
	No. of Shares	%	No. of Shares	%
Existing Shareholders (excluding Founders and Non-Executive Directors)	5,588,162	6.9%	5,588,162	4.6%
Founders	74,322,532	91.9%	62,178,350	51.4%
Non-Executive Directors	983,309	1.2%	983,309	0.8%
Eligible Employees ¹	–	–	180,000	0.1%
New Shareholders	–	–	52,144,182	43.1%
Total	80,894,003	100.0%	121,074,003	100.0%

1. This refers to Shares allocated to the Employee Gift Offer.

Details of the Shares that will be subject to voluntary escrow arrangements are set out in Section 9.6.

7.1.4 Potential effect of the fundraising on the future of Wiseway

The Directors believe that on Completion of the Offer, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and carry out its stated business objectives.

7.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the capital of Wiseway).
What are the rights and liabilities attached to the Shares being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.12
What is the consideration payable for each Share being offered?	The Offer Price is \$0.50 per Share.
What is the Offer period?	<p>The key dates, including details of the Offer period, are set out in the key dates on page 4 of this Prospectus.</p> <p>The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time.</p> <p>The Company, in consultation with the Lead Manager reserves the right to amend any or all of the dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws, including closing the Offer early, extending the Offer, deferring the date of Completion of the Offer, accepting late Applications either generally or in particular cases, allotting Shares at different times to investors, or to withdraw the Offer, without prior notice. The quotation and commencement of trading of the Shares is subject to confirmation from ASX.</p>
What are the cash proceeds to be raised under the Offer?	Approximately \$26.1 million will be raised from New Shareholders under the Broker Firm Offer, the Priority Offer and the Institutional Offer, if the Offer proceeds.
What is the minimum Application size under the Offer?	<p>The minimum Application size under the:</p> <ul style="list-style-type: none"> • Broker Firm Offer is \$2,000 (equivalent to 4,000 Shares in aggregate). There is no maximum Application size under the Broker Firm Offer, however the Company, SaleCo and the Lead Manager reserve the right to reject any Application or to allocate to an Applicant a lesser number of Shares than that applied for; and • Priority Offer is \$2,000 (equivalent to 4,000 Shares in aggregate). Priority Offer Applicants may apply for up to the value of Shares indicated in their Priority Offer invitation made under this Prospectus. <p>For more information, see Sections 7.3.2 and 7.5.3.</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager and the Company having regard to the allocation policies outlined in Sections 7.3 and 7.6.</p> <p>With respect to the Broker Firm Offer, it will be a matter for Brokers as to who they allocate Shares.</p> <p>The final allocation of Shares under the Employee Gift Offer and Priority Offer will be determined by the Company in consultation with the Lead Manager as outlined in Sections 7.4 and 7.5, subject to the guaranteed minimum allocation for Applicants under the Priority Offer.</p>
When will Applicants receive confirmation whether Applications are successful?	It is expected that holding statements will be despatched by standard post on or about 26 October 2018.

Section 7 – Details of the Offer continued

Topic	Summary
Will the Shares be listed?	<p>Wiseway will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List, and quotation of Shares by, ASX under the code “WWG”.</p> <p>Completion of the Offer is conditional on ASX approving the application and granting permission for the Shares to be quoted on ASX on terms acceptable to the Company. If this approval and permission is not given within three months of the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all monies received from Applicants will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Wiseway or the Shares offered for subscription.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on ASX will commence on or about 31 October 2018.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive a statement of holding do so at their own risk.</p> <p>The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Wiseway Offer Information Line, by a Broker or otherwise.</p>
Is the Offer underwritten?	<p>Yes. The Offer is fully underwritten by the Lead Manager.</p>
Are there any escrow arrangements?	<p>Yes. Details are provided in Section 9.6.</p>
Have any ASX waivers been obtained or been relied on?	<p>No</p>
Are there any tax considerations?	<p>Yes. Refer to Section 9.8.</p>
Are there any brokerage, commission or stamp duty considerations?	<p>No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 6.3.3 for details of various fees payable by the Company to the Lead Manager.</p>
What should I do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the Wiseway IPO Information Line on 1800 129 431 (within Australia) and +61 1800 129 431 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday (excluding public holidays).</p> <p>All enquiries in relation to the Broker Firm Offer should be directed to your Broker.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether Wiseway is a suitable investment for you, you should consult with your stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p>

7.3 Broker Firm Offer

7.3.1 Who can apply?

The Broker Firm Offer is open to clients of participating Brokers who have a registered address in Australia and who received an invitation from a Broker to acquire Shares under this Prospectus and are not in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.3.2 How to apply

If you have received an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Broker Firm Offer Application Form, or download a copy at www.wiseway.com.au/investor/. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Broker Firm Application Form and Application Monies are received before 5:00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their invitation to participate in the Broker Firm Offer. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, SaleCo, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The minimum Application size under the Broker Firm Offer is \$2,000 (equivalent to 4,000 Shares in aggregate). There is no maximum Application size under the Broker Firm Offer, however the Company, SaleCo and the Lead Manager reserve the right to reject any Application or to allocate to an Applicant a lesser number of Shares than that applied for. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Broker Firm Offer opens at 9:00am (Sydney time) on 16 October 2018 and is expected to close at 5:00pm (Sydney time) on 23 October 2018. The Company and the Lead Manager may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible after the Offer opens. Please contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by your Broker.

7.3.4 Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Lead Manager, in consultation with the Company and SaleCo. Shares which are allocated to Brokers for allocation to their Australian and New Zealand retail resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their clients, and they (and not the Company, SaleCo or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

7.3.5 How do I confirm my allocation?

Applicants under the Broker Firm Offer should contact their Broker to confirm their allocation.

Section 7 – Details of the Offer continued

7.4 Employee Gift Offer

7.4.1 Who can apply?

The Employee Gift Offer is open to Eligible Employees, being:

- full-time employees of Wiseway Group who are residents of Australia and employed by Wiseway Group on or before 1 April 2018; and
- casual or part-time employees of Wiseway Group who are residents of Australia and were employed by Wiseway Group on or before 1 October 2017,

who have not given or received notice of termination of employment on or before the Closing Date of the Employee Gift Offer.

7.4.2 How to apply?

If you are an Eligible Employee, you should have received a separate personalised invitation letter detailing the terms of the Employee Gift Offer made under this Prospectus. A copy of this Prospectus is available at www.wiseway.com.au/investor/.

Eligible Employees should read the personalised invitation letter and this Prospectus carefully and in its entirety before deciding whether to apply under the Employee Gift Offer made under this Prospectus. 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 accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the Employee Gift Offer, you must complete the online Employee Gift Offer Application Form in accordance with the instructions provided to you by the Company and on the website containing the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

When applying to participate in the Employee Gift Offer, you must do so by no later than 5:00pm (Sydney time) on 23 October 2018 and it is your responsibility to ensure that this occurs.

7.4.3 What is the Employee Gift Offer allocation policy?

If an Eligible Employee validly completes and lodges an Employee Gift Offer Application Form, the employee will receive, at no cost to the employee, up to the amount of the Shares as specified in the personalised invitation letter.

7.5 Priority Offer

7.5.1 Who can apply?

The Priority Offer is open to selected investors nominated by the Company which will include (but will not be limited to) the Existing Shareholders (**Priority Applicants**).

If you have been invited by the Company, or are entitled to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Shares that are allocated to you.

7.5.2 How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer made under this Prospectus and you wish to apply for all or some of those Shares, you must apply in accordance with the relevant instructions.

Priority Applicants should read this Prospectus carefully and in its entirety before deciding whether to apply under the Priority Offer. 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 accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the Priority Offer, you must complete the online Priority Offer Application Form in accordance with the instructions provided on the website containing the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (Sydney time) on 23 October 2018 and it is your responsibility to ensure that this occurs.

7.5.3 Is there a minimum or maximum Application size?

Applications under the Priority Offer must be for a minimum size of \$2,000 (equivalent to 4,000 Shares in aggregate).

7.5.4 How to pay

Applicants under the Priority Offer must pay their Application Monies by BPAY® in accordance with the instructions on the Priority Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number (**CRN**) provided to you or generated by the online Priority Offer Application Form. Application Monies paid by BPAY® must be received by the Share Registry by no later than 5:00pm (Sydney time) on 23 October 2018 and it is your responsibility that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company nor the Lead Manager take any responsibility for any failure by the Company to receive Application Monies or payment by BPAY® before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

For more details, Priority Offer Applicants should refer to www.wiseway.com.au/investor/ or contact the Wiseway IPO Offer Information Line on 1800 129 431 (within Australia) or +61 1800 129 431 (from outside Australia) from 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays).

7.5.5 What is the Priority Offer allocation policy?

The allocation of Shares to Applicants under the Priority Offer will be determined by the Company, in consultation with the Lead Manager. Shares offered under the Priority Offer that are not taken up will be allocated by the Company under the Institutional Offer or the Broker Firm Offer.

7.5.6 Application Monies

The Company and SaleCo reserve the right to decline any Application in whole or in part, without giving any reason. Monies received from Applicants under the Broker Firm Offer or the Priority Offer will be held in a special purpose account until the Shares are issued to Applicants. Applicants under the Broker Firm Offer and the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the amount applied for by the Offer Price. Where the Offer Price does not divide exactly into the amount applied for, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company and SaleCo.

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your BPAY® payment. If the amount of your BPAY® payment for Application Monies is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your Application may be rejected.

Section 7 – Details of the Offer continued

7.6 Institutional Offer

7.6.1 Invitations to Bid

Under the Institutional Offer, Institutional Investors in Australia, New Zealand and certain other eligible jurisdictions outside the United States were invited to bid for an allocation of Shares under this Prospectus. The Lead Manager separately advised Institutional Investors of the Application procedures for the Institutional Offer. Offers and acceptances in the Institutional Offer are made under this Prospectus and are at the Offer Price per Share.

7.6.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer was determined by the Lead Manager in consultation with the Company. The Lead Manager, in consultation with the Company, had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Completion of the Offer;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall anticipated level of demand under the Broker Firm Offer, Priority Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- other factors that the Company and the Lead Manager considered appropriate.

7.7 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the AUD amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, SaleCo, the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia and New Zealand (except as applicable to the Institutional Offer and Priority Offer), or otherwise satisfies the requirements in Section 10.16;
- acknowledged and agreed that the Offer may be withdrawn by the Company or SaleCo or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant in the Broker Firm Offer, the Priority Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws in accordance with the US Securities Act registration requirements or of any state of the United States and may not be offered, sold or resold, pledged or transferred in the United States, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States;
- it is purchasing the Shares in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.8 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue and allotment of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant monies received from Applicants will be refunded (without interest). The Lead Manager and the Company also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than those applied for.

7.9 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 of 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 outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

See Section 9.9 for further details regarding foreign selling restrictions.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

Section 7 – Details of the Offer continued

7.10 ASX listing, registers and holding statements

7.10.1 Application to ASX for listing of Wiseway and quotation of Shares

Wiseway will apply to ASX for admission to the Official List and quotation of the Shares on ASX (under the code “**WWG**”).

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit Wiseway to the Official List is not to be taken as an indication of the merits of Wiseway or the Shares offered for subscription.

If permission is not granted for the Shares to be quoted on ASX on terms acceptable to the Company within three months of the Prospectus Date (or any later date permitted by law), all monies received by the Company in connection with the Offer will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

7.10.2 CHESS and issuer sponsored holdings

Wiseway has applied, or will apply prior to Listing, to participate in the ASX’s Clearing House Electronic Sub-register System (CHESS) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. 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 sub-register. All other Shares will be registered on the issuer sponsored sub-register.

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 Security holder Reference Number (**SRN**) of issuer sponsored holders.

Shareholders will subsequently receive statements showing any changes to their shareholding. Share 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 ASX 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 sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

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Investigating Accountant's Report



Section 8 – Investigating Accountant’s Report continued



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The Directors
 Wiseway Group Limited and Wiseway Group SaleCo Limited
 39-43 Warren Avenue
 Bankstown NSW 2200

8 October 2018

Dear Directors

Limited Assurance Investigating Accountant’s Report and Financial Services Guide

Investigating Accountant’s Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) (“KPMG Transaction Services”) has been engaged by Wiseway Group Limited (“Wiseway”) and Wiseway Group SaleCo Limited (“SaleCo”) to prepare this report for inclusion in the prospectus to be dated 31 October 2018 (“Prospectus”), and to be issued by Wiseway and SaleCo, in respect of the proposed initial public offering of shares in Wiseway and listing on the Australian Securities Exchange (“ASX”) (the “Offer”).

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

This Investigating Accountant’s Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical and forecast financial information described below and disclosed in the Prospectus.

The pro forma historical and forecast 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 Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

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8 October 2018*

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Pro Forma Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the pro forma historical financial information of Wiseway (the responsible party) included in the Prospectus.

The pro forma historical financial information has been derived from the historical financial information of Wiseway, after adjusting for the effects of pro forma adjustments described in section 4 of the Prospectus.

The pro forma financial information consists of Wiseway's:

- pro forma historical Statement of Financial Position as at 30 June 2018 as set out in section 4.5;
- pro forma historical Statements of Financial Performance for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 as set out in section 4.3; and
- pro forma historical Statements of Cash Flows for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 as set out in section 4.4 of the Prospectus issued by Wiseway (collectively the "Pro Forma Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4.2.2 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Historical Financial Information has been compiled by Wiseway to illustrate the impact of Offer on Wiseway's financial position as at 30 June 2018 and Wiseway's financial performance and cash flows for the years ended 30 June 2016, 30 June 2017 and 30 June 2018. As part of this process, information about Wiseway's financial position, financial performance and cash flows has been extracted by Wiseway from Wiseway Logistics Pty Ltd's ("Wiseway Logistics") audited financial statements for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and from the management accounts of Wiseway for the period from 16 March 2018 to 30 June 2018.

The financial statements of Wiseway Logistics for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 were audited by KPMG in accordance with Australian Auditing Standards. The audit opinions issued to the members of Wiseway Logistics relating to those financial statements were unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material

Section 8 – Investigating Accountant’s Report continued

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respects, by the directors in accordance with the stated basis of preparation as set out in Section 4.2 of the Prospectus.

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*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Forecast Financial Information and directors’ best-estimate assumptions

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the pro forma forecast and statutory forecast Statement of Financial Performance of Wiseway (the responsible party) for the year ending 30 June 2019 and the pro forma forecast and statutory forecast Statement of Cash Flows for the year ending 30 June 2019, as described in sections 4.3 and 4.4 of the Prospectus (the “Forecast Financial Information”). The directors’ best-estimate assumptions underlying the Forecast Financial Information are described in section 4.6 of the Prospectus. As stated in section 4.2 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and Wiseway’s accounting policies.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in section 4 of the Prospectus, and the directors’ best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors’ best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
 - prepared on the basis of the directors’ best-estimate assumptions as described in the Prospectus; and
 - presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards and Wiseway’s accounting policies;
- the Forecast Financial Information itself is unreasonable.

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*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance

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engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The directors of Wiseway are responsible for the preparation of:

- the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information; and
- the Forecast Financial Information, including the directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Pro Forma Historical Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in section 4 of the Prospectus, comprising:

- the pro forma historical statements of financial performance Wiseway for the years ended 30 June 2016, 30 June 2017 and 30 June 2018;
- the pro forma historical statements of cash flows of Wiseway for the years ended 30 June 2016, 30 June 2017 and 30 June 2018; and
- the pro forma historical statement of financial position of Wiseway as at 30 June 2018,

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in Section 4 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and Wiseway's accounting policies.

Forecast Financial Information and the directors' best-estimate assumptions

Based on our procedures, which are not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information for the year ending 30 June 2019 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 of the Prospectus; and

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- is not presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards, and Wiseway’s accounting policies; and
- the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by Wiseway management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of Wiseway for the year ending 30 June 2019.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) 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 event(s) and/or transaction(s) 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 Wiseway. 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 conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Wiseway, 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 5 and 4.8 of the Prospectus. The sensitivity analysis described in section 4.8 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of Wiseway, that all material information concerning the prospects and proposed operations of Wiseway 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.

Independence

KPMG Transaction Services does not have any interest in the outcome of the Offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Wiseway and from time to time, KPMG also provides Wiseway with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of

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any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully



David Willis
Authorised Representative

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Financial Services Guide Dated 8 October 2018

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**‘KPMG Transaction Services’**), and David Willis as an authorised representative of KPMG Transaction Services, authorised representative number 404265 (**Authorised Representative**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant’s Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;

- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services’ behalf.

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KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by Wiseway Group Limited (**Wiseway**) and Wiseway Group SaleCo Limited (**SaleCo**) to provide general financial product advice in the form of a Report to be included in Prospectus dated 8 October 2018 (**Prospectus**) prepared by Wiseway and SaleCo in relation to the initial public offering of shares in Wiseway Group Limited on the ASX (**Offer**).

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than the Client.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by the Wiseway and SaleCo, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, Wiseway. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Wiseway and SaleCo has agreed to pay KPMG Transaction Services \$0.6 million for preparing the Report. In addition, KPMG entities have performed work in relation to tax advice and due diligence enquiries and Wiseway and SaleCo have agreed to pay \$0.2 million (excluding GST and disbursements) for these

services up to the date of the Prospectus. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to Wiseway and for which professional fees are received. Over the past two years professional fees of \$76,000 and \$159,000 have been received from Wiseway. None of those services have related to the transaction or alternatives to the transaction.

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No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Wiseway or SaleCo or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08

Facsimile: (03) 9613 6399

Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
Services (Australia) Pty Ltd
Level 38, Tower Three
300 Barangaroo Avenue

Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

David Willis
C/O KPMG
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200



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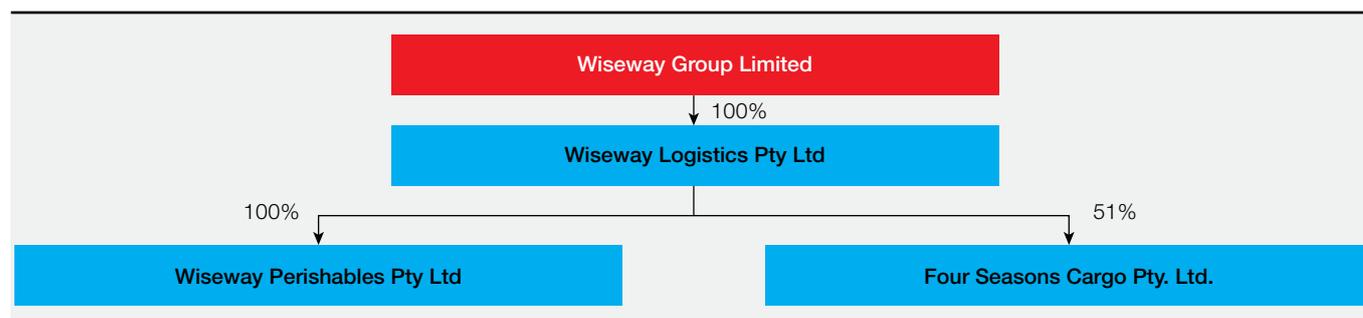
**Additional
information**

Section 9 – Additional information continued

9.1 Registration, share capital and company tax status

The Company was incorporated in Victoria on 16 March 2018 as a public company. The operating company in the Wiseway Group, Wiseway Logistics Pty Ltd (**Wiseway Logistics**), was incorporated in New South Wales on 22 January 2007. A group restructure, commencing on 16 March 2018, and completing on 19 March 2018, resulted in the acquisition of 100% of Wiseway Logistics by the Company.

The following diagram shows the entities in the Wiseway Group.



The Company and Wiseway Logistics are and will be subject to tax at the relevant corporate tax rate. The Company is considering forming an income tax consolidated group with the Company as head entity and Wiseway Logistics as a subsidiary member. Where a choice to consolidate is made, the Company intends that formation of the income tax consolidated group will arise during the year ended 30 June 2018. The election to form an income tax consolidated group can be made up to the due date of lodgement of the income tax return for the Company for the year ended 30 June 2018.

On Completion of the Offer, the Company will have 121,074,003 Shares on issue including 52,144,182 Shares to be offered under this Prospectus.

9.2 Sale of Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of existing Shares by the Selling Shareholders.

The Selling Shareholders have offered to sell to SaleCo some of their existing Shares, which will be available for sale by SaleCo into the Offer, free from encumbrances and third party rights, and conditional on Listing.

The Existing Shares which SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants at the Offer Price. The Company will also issue Shares to Successful Applicants under the Offer.

SaleCo has no material assets or liabilities or operations other than its interest in and obligations under the share sale agreement with the Selling Shareholders. The sole director and company secretary is Florence Tong, who is one of the founders and a director of the Company. The shareholders are Roger Tong and Florence Tong. The Company has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer.

9.3 Material contracts

The Directors consider that there are a number of contracts which are significant or material to the Company or of such nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. The main provisions of these contracts are summarised below, or elsewhere in this Prospectus. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

9.3.1 Underwriting Agreement

By an agreement dated on or around the date of this Prospectus between the Company, SaleCo and the Lead Manager (**Underwriting Agreement**), the Lead Manager has agreed to fully underwrite the Offer for 52,144,182 Shares (**Underwritten Shares**).

9.3.1.1 Fees and Costs

Pursuant to the Underwriting Agreement, the Company and SaleCo has agreed to pay the Lead Manager in immediately available funds:

- a) a selling and underwriting fee equal to 2.5% of the Offer proceeds (plus GST); and
- b) a management fee equal to 2.0% of the Offer proceeds (plus GST).

The Company and SaleCo has the discretion to pay the Lead Manager an incentive fee of up to 0.5% of the Offer proceeds, payable in immediately available funds on the Settlement Date.

The Lead Manager is also entitled to be reimbursed for the reasonable costs of and incidental to the Offer (regardless of whether Completion occurs) incurred by them.

9.3.1.2 Termination Events

The Lead Manager may terminate its obligations without cost or liability by notice to the Company and SaleCo if any of the following events has occurred or occurs at any time before the Settlement Date:

- a) (disclosures) a statement in any of the Offer documents or Public Information is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from an Offer document (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- b) (new adverse circumstances) there occurs an adverse new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- c) (supplementary Prospectus) the Company: (i) in the reasonable opinion of the Lead Manager is required under section 719 of the Corporations Act to lodge a supplementary or replacement Prospectus; or (ii) lodges a supplementary or replacement Prospectus with ASIC in a form and substance that has not been approved by the Lead Manager;
- d) (market fall) at any time the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the close of the Bookbuild;
- e) (voluntary escrow arrangements) any voluntary escrow arrangement is withdrawn, varied, terminated, rescinded, altered, amended or breached or failed to be complied with;
- f) (Sale Shares) the share sale deed entered into between the Founders, SaleCo and the Company is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- g) (forecasts) (i) in the reasonable opinion of the Lead Manager, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer documents which relate to a future matter; or (ii) any statement or estimate in the Offer documents which relate to a future matter is, in the reasonable opinion of the Lead Manager, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- h) (fraud) the Company, SaleCo or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of this Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
- i) (listing and quotation) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to: (i) the Company's admission to the official list of ASX on or before the Listing Approval Date; or (ii) the quotation of all of the Company's Ordinary Shares, including the Offer Shares, on ASX or for the Company's Ordinary Shares, including the Offer Shares, to be traded through CHESSE on or before the Quotation Date, or (iii) if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- j) (notifications) any of the following notifications are made in respect of the Offer: (i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act; (ii) ASIC holds a hearing under section 739(2) of the Corporations Act; (iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer document; (iv) any person (other than the Lead Manager) who has previously consented to the inclusion of its name in any Offer document withdraws that consent; or (v) any person (other than the Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- k) (certificate not provided) the Company or SaleCo does not provide a closing certificate as and when required by this Agreement;
- l) (withdrawal) the Company or SaleCo withdraws an Offer document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- m) (material contracts) if any of the obligations of the relevant parties under any of the contracts that are material to the business of Wiseway Group or any of the material contracts disclosed in this Prospectus are not capable of being performed in accordance with the terms (in the reasonable opinion of the Lead Manager) or if all or any part of any of such contracts is: (i) amended or varied without the consent of the Lead Manager; or (ii) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or of limited force and effect, or its performance is or becomes illegal;

Section 9 – Additional information continued

- n) (insolvency events) any Group Member becomes Insolvent, or there is an act or omission which is likely to result in a Group Member becoming Insolvent;
- o) (Timetable) an event specified in the Timetable up to and including the Settlement Date is delayed by more than 3 Business Days (other than a delay agreed to between the parties or as a result of an extension by ASIC of the ASIC exposure period);
- p) (unable to issue or transfer Offer Shares) the Company is prevented from allotting and issuing (as applicable) the Offer Shares, or SaleCo is prevented from transferring the Sale Shares, within the time required by the Timetable, the Offer documents, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a Governmental Agency;
- q) (change to Company) the Company: (i) alters the issued capital of the Company or a Group Member; or (ii) disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group Member, (iii) without the prior written consent of the Lead Manager, which consent must not be unreasonably withheld or delayed;
- r) (regulatory approvals) if a regulatory body withdraws or revokes; or amends, any regulatory approvals required for the Company or SaleCo to perform their obligations under this Agreement or to carry out the transactions contemplated by the Offer documents;
- s) (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under this document, or to market, promote or settle the Offer.
- t) (change in management): any of Florence Tong, Roger Tong and Mark Ziirsen vacate their office or there is any change in the persons holding the offices that they hold on the date of this Agreement;
- u) (prosecution) any of the following occur: (i) a director or proposed director named in the Pathfinder or Prospectus of the Company or SaleCo is charged with an indictable offence; (ii) any Governmental Agency commences any public action against the Company or SaleCo or any of their respective directors in their capacity as a director of the Company or SaleCo (as applicable), or announces that it intends to take action; or (iii) any director or proposed director named in the Pathfinder or Prospectus of the Company or SaleCo is disqualified from managing a corporation under Part 2D.6;
- v) (constitution) the Company varies any term of its constitution without the prior written consent of the Lead Manager; and
- w) (legal proceedings) any regulatory body commences any enquiry or public action against a Group Member.

9.3.1.3 Termination subject to materiality

The Lead Manager may terminate its obligations without cost or liability by notice to the Company and SaleCo if any of the following events has occurred or occurs at any time before the Settlement Date:

- a) (material contracts): if any of the contracts that are material to the business of Wiseway Group or any of the material contracts disclosed in this Prospectus: (i) is terminated; (ii) is breached; (iii) ceases to have effect, otherwise than in accordance with its terms; or (v) is capable of being terminated, rescinded or avoided;
- b) (change in management): there is any change in senior management (including Ivan Lim or Scott Higgins) or the board of directors of the Company occurs;
- c) (disclosures in the due diligence report and any other information) the due diligence report or verification material or any other information supplied by or on behalf of the Company or SaleCo to the Lead Manager in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
- d) (adverse change) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those respectively disclosed in any Offer document or the Public Information;
- e) (change of law) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this Agreement) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;
- f) (breach of laws) there is a contravention by the Company, SaleCo or any other Group Member of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts) or any other applicable law or regulation;

- g) (compliance with law) any of the Offer documents or any aspect of the Offer does not comply with the Corporations Act or any other applicable law or regulation;
- h) (representations and warranties) a representation, warranty, undertaking or obligation contained in this Agreement on the part of the Company or SaleCo (whether severally or jointly) is breached, becomes not true or correct or is not performed;
- i) (breach) the Company or SaleCo defaults on one or more of its obligations under this Agreement;
- j) (legal proceedings) the commencement of legal proceedings against the Company, SaleCo, any other Group Member or against any director of the Company, SaleCo or any other Group Member in that capacity;
- k) (information supplied) any information supplied (including any information supplied prior to the date of this Agreement) by or on behalf of a Group Member to the Lead Manager in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- l) (hostilities) hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, North Korea, any member state of the European Union, Israel, the People's Republic of China or Hong Kong or a major terrorist act is perpetrated anywhere in the world;
- m) (certificate incorrect) a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect; and
- n) (disruption in financial markets) any of the following occurs: (i) a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) any adverse effect on the financial markets in Australia, Hong Kong, the European Union, the United States of America, the United Kingdom, or in foreign exchange rates or any development involving a prospective change or break up in political, financial or economic conditions in any of those countries; or (iii) trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.

9.3.1.4 Indemnity

Subject to certain exceptions, the Company and SaleCo indemnifies the Lead Manager and its Representative (**Indemnified Parties**) against certain losses and liabilities which relate to or arise from the Underwriting Agreement, this Prospectus (or any related documents or materials) or the Offer.

The Company and SaleCo have agreed to not commence any claims against any Indemnified Party and to discharge and release any losses arising directly or indirectly from the participation of that Indemnified Party in relation to the Offer, unless the losses have resulted from the fraud, wilful misconduct or gross negligence of that Indemnified Party.

9.3.1.5 Representations, warranties and undertakings

The Underwriting Agreement contains customary representations, warranties and undertakings provided by the Company and SaleCo to the Lead Manager and vice versa. The warranties, representations and undertakings relate to matters such as the conduct of the parties, the conduct and outcome of the due diligence process, information provided to the Lead Manager, financial information, material contracts, intellectual property, IT systems, licences, data privacy, insolvency, compliance with ASX Listing Rules and laws, information contained in this Prospectus and the conduct of the Offer.

The undertakings provided by the Company include that the Company will not, during the period following the date of the Underwriting Agreement until 180 days after completion of the Offer, issue or agree to issue any Shares or other securities (other than pursuant to the Offer, the Employee Incentive Plan or as otherwise disclosed in this Prospectus), and will not, before completion of the Offer, materially vary any material contract or its constitution or materially alter its capital structure or dispose the whole or a substantial part of its business or property (except with the prior consent of the Lead Manager).

9.3.2 Deed of indemnity, insurance and access for Directors

9.3.2.1 Access

The Company has entered into deeds of access, indemnity and insurance with each Director which contain rights of access to certain books and records of the Company.

Section 9 – Additional information continued

9.3.2.2 Indemnification

Under the Constitution, the Company is required to indemnify all Directors and officers, past and present, against all liabilities allowed under law. Under the deed of access, indemnity and insurance, the Company indemnifies parties against all liabilities to another person that may arise from their position as an officer 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.

9.3.2.3 Insurance

Under the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law and under the deed of access, indemnity and insurance, the Company must maintain insurance cover for each Director for the duration of the access period.

9.4 Related party contracts

Related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on "arm's length terms", represents no more than reasonable remuneration, or complies with other limited exemptions.

9.4.1 Warehouse leases

As at the date of this Prospectus, Wiseway Logistics has entered into leases of warehousing premises (**Leases**) with AFT Investment Management Pty Ltd as trustee for RFT Trust (**RFT Trust**), a trust of which Roger Tong and Florence Tong, the directors of Wiseway Logistics and the Company, are the beneficiaries. Details of the Leases are as follows.

Location	Rent	Term	Other key terms
Bankstown, NSW	\$13,212.22 per month (inclusive of GST) subject to annual CPI review (including on exercise of option)	5 years commencing from 1 September 2018 with one option to renew for a further 5 year period	<ul style="list-style-type: none"> • When payment of rent is more than 14 days overdue, Wiseway Logistics will pay to RFT Trust on demand an interest of 15% per annum from the day on which is became payable to the date of the payment. • Wiseway Logistics is responsible to pay 100% share of outgoings. • Wiseway Logistics needs to keep in force a policy of Public Liability Insurance with respect to the premises for a cover of not less than \$20,000,000. • No bank guarantee or security deposit is applicable.
Chipping Norton, NSW	\$46,200 per month (inclusive of GST) subject to annual CPI review (including on exercise of option)	5 years commencing from 1 September 2018 with one option to renew for a further 5 year period	
Thomastown, VIC	\$39,600 per month (inclusive of GST) subject to annual CPI review (including on exercise of option)	5 years commencing from 1 September 2018 with one option to renew for a further 5 year period	

The Board believes that the above Leases occur in the normal course of business, and the terms and conditions of the Leases are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arm's length basis, according to the assessment by commercial and industrial property sales and leasing specialists, and that the risks faced by the Group from any or all of these arrangements are not materially different from or are more favourable to the Group than those it would face had any or all of these leases had been entered into with a counterparty without the connections to Roger Tong and Florence Tong described in this Section 9.4.1.

9.5 Summary of rights and liabilities attaching to shares and other material provisions of the Company's constitution

9.5.1 General

The rights and liabilities attaching to ownership of the Shares are:

- detailed in the Constitution of the Company which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the 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 intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. This summary assumes the Company is admitted to the Official List of the ASX.

9.5.2 Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.

9.5.3 Dividends

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them.

9.5.4 Issue of shares

Subject to the Constitution, the Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions and the issue price they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

9.5.5 Variation of class rights

Subject to the Corporations Act and the Listing Rules, the rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

9.5.6 Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the Listing Rules or the ASX Settlement Operating Rules. If the Directors decline to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

Section 9 – Additional information continued

9.5.7 Small holdings

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

9.5.8 General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

9.5.9 Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution.

9.5.10 Directors – appointment and removal

The minimum number of Directors is three and the maximum is to be fixed by the Directors but may not be more than 10 unless the Company passes a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing Director) retires at each annual general meeting of the Company. The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the Directors who will then hold office until the next annual general meeting of the Company.

9.5.11 Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

9.5.12 Directors' remuneration

The Directors, other than the Executive Directors, are entitled to be paid by such Directors' fees for their services as the Directors decide, provided that the total fees do not exceed the maximum aggregate sum as may be approved from time to time by Shareholders in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions. Any change to that maximum aggregate sum needs to be approved by Shareholders.

9.5.13 Alteration of share capital

Subject to the Listing Rules, the Constitution and the Corporations Act, the Company may alter its share capital.

9.5.14 Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution.

9.5.15 Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company. The Company must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

9.5.16 Share buy-backs

The Company may buy back shares in accordance with the provisions of the Corporations Act.

9.5.17 Dividend plan

The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan.

9.6 Voluntary escrow arrangements

A number of Existing Shareholders have agreed to enter into voluntary escrow arrangements in relation to 68,564,821 Shares in which they will have a relevant interest on Completion of the Offer. An 'escrow' is a restriction on sale, disposal, or encumbering of, or certain other dealings in respect of, the Shares concerned for the period of the escrow, subject to certain exceptions set out in the escrow deeds. The table below sets out the periods during which certain Shareholders are restricted from dealing in their Shares pursuant to the voluntary escrow arrangement.

TABLE 9.1: VOLUNTARY ESCROWED SHAREHOLDERS

Escrowed Shareholder	Number of Escrowed Shares on Completion of the Offer	Escrowed Shares (as a % of Shares on issue on Completion of the Offer)	Escrow Period in Months from the Listing Date
Roger Tong	31,089,175	25.7%	16
Florence Tong	31,089,175	25.7%	16
Jim Tong	798,309	0.7%	16
Ken Tong	798,309	0.7%	16
Golden Fortune Sky Limited	798,309	0.7%	24
Laurel Capital Pty Ltd	798,309	0.7%	24
Zhikun Tang	798,309	0.7%	12
ZZL Holdings Pty Ltd	798,309	0.7%	6
M & M Worldwide Groups Pty Ltd	957,970	0.8%	6
Min XU	478,985	0.4%	6
Chongqing Huang	79,831	0.1%	6
Jie Sun	79,831	0.1%	6
Total	68,564,821	56.6%	

The voluntary escrow arrangements do not preclude participation in a takeover where:

- the takeover bid is for all of the securities;
- holders of at least half of the ordinary securities that are not subject to restriction (including those Shares that are subject to the voluntary escrow arrangements) to which the takeover bid relates have accepted; and
- in the case of an off-market bid, if the takeover bid is conditional, the bidder and the Escrowed Shareholder agree in writing that a holding lock will be re-applied to each Share that is subject to the voluntary escrow arrangements that is not unconditionally bought by the bidder under that bid.

The Escrowed Shareholder's restricted securities may be transferred or cancelled as part of a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act if the Escrowed Shareholder agrees in writing that a holding lock will be re-applied if the merger does not take effect.

An Escrowed Shareholder may not be precluded from transferring their restricted securities where:

- the transfer is compelled by an order of a court of competent jurisdiction;
- the transfer is a transfer to whomever the restricted securities have been bequeathed or to the Escrowed Shareholder's spouse provided that the transferee agrees in writing to be subject to the escrow restrictions;
- the transfer is an off-market transfer to any entity controlled by the Escrowed Shareholder provided that the transferee agrees in writing to be subject to the escrow restrictions; and
- prior written consent of the Company is sought following a representation to the Board by the Escrowed Shareholder which demonstrates that the transfer is necessary to alleviate financial hardship.

Section 9 – Additional information continued

9.7 Legal proceedings

The Directors are not aware of any civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature instituted, pending or threatened in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

9.8 Summary of Australian tax issues for Australian tax resident investors

9.8.1 Australian tax considerations

The following tax comments are based on the tax law in Australia in force as at the date of the Prospectus. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor. During the ownership of the Shares by investors, the taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax and stamp duty implications for Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate investors that hold their Shares on capital account. These comments do not apply to investors that hold Shares as trading stock on revenue account, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 (Cth) which have made elections for the fair value or Reliance on Financial Reports (ROFR) methodologies.

Taxation issues, such as (but not limited to) those covered by this Section, are only one of the matters an investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian financial services licence before making such a decision.

9.8.2 Dividends paid on shares

Dividends may be paid to Shareholders by the Company. The Company may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

9.8.2.1 Australian tax resident individuals and complying superannuation entities

Dividends paid by the Company on a share will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income (some superannuation funds may be exempt in relation to Shares to the extent they are held to support current pension liabilities) in the year the dividend is paid, together with any franking credit attached to that dividend. Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, such investors should be entitled to a tax refund.

To the extent that the dividend is unfranked, the investor should include the dividend in their assessable income with no tax offset.

9.8.2.2 Australian tax resident corporate shareholders

Corporate investors are also required to include both the dividend and associated franking credit in their assessable income. They are then allowed a tax offset up to the amount of the franking credit on the dividend. Where the tax offset exceeds the tax payable, the excess cannot give rise to a refund for a company but can be converted into carry forward tax losses.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit on the distribution received. This will allow the corporate investor to pass on the benefit of the franking credits to its own investor(s) on the payment of dividends.

9.8.2.3 Australian tax resident trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

9.8.2.4 Australian tax resident shares held 'at risk'

The benefit of franking credits can be denied where an investor is not a 'qualified person' in which case the investor will not need to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold Shares "at risk" for more than 45 days continuously over a specified period in order to qualify for franking benefits, including franking credits. This period is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the Shares at risk for the continuous 45 day period as above but within the limited period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

9.8.2.5 Australian capital gains tax implications for Australian tax resident Shareholders on a disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian capital gains tax (CGT) provisions in respect of the disposal of their Shares.

Where the capital proceeds received on disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will be required to recognise a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are added together. To the extent that a net gain exists, such Shareholders should be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied). Any remaining net gain (after the application of any carried forward capital losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to the comments below in relation to the availability of the CGT discount concession) and will be taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss will only be deductible against future capital gains. Capital losses are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the Shares have been held for at least 12 months prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder or trust, and a one third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder. The concession applies to any net capital gain (i.e. it applies after capital losses have been deducted against any gains). The concession is not available to corporate Shareholders.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Shareholders which are trusts should seek specific advice as to the circumstances in which a beneficiary may be entitled to a CGT discount.

9.8.3 Tax File Numbers

A shareholder is not obliged to quote their tax file number (TFN), or where relevant, Australian Business Number (ABN), to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by the Company at the highest marginal tax rate plus the Medicare levy from certain dividends paid.

No withholding requirement applies in respect of fully franked dividends paid by the Company on the Shares.

Section 9 – Additional information continued

9.8.4 Stamp Duty

The below provides high level guidance on the landholder duty implications for the acquisition of the Shares. However, investors would need to seek their own advice to determine whether any duty would be payable on the acquisition of Shares under the IPO and any subsequent acquisitions/disposal of Shares.

Landholder duty

Stamp duty is a state/territory based tax. An entity will be a landholder if it holds, directly or indirectly through its subsidiaries, interests in land (i.e. freehold land, leaseholds and fixtures/assets fixed to land depending on the jurisdiction) which have an unencumbered market value that meets or exceeds the relevant landholder duty threshold in the relevant state/territory.

The landholder duty threshold in each state/territory ranges from nil to \$2 million and landholder duty is calculated at rates of up to 5.95% on the unencumbered market value of the landholder's interests in land (and goods in certain jurisdictions). Higher rates apply to residential land if the acquirer of the interest is a foreign person.

The Company is a landholder and listed on the ASX

Where the Company is listed on the ASX and is a landholder in any State or Territory in Australia, no landholder duty should be payable by a Shareholder on the acquisition of the Shares under the IPO (i.e. the issuance of Shares by the Company under the IPO) if the investors:

- Acquire the Shares after the Company is listed and all of the shares of the Company are quoted on the Australian Securities Exchange; and
- Each investor and any associated persons (or persons acquiring under one arrangement or in concert) do not acquire 90% or more of the interests in the Company or, as a result of the acquisition, hold 90% or more of the interests in the Company.

Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the above requirements are met.

The Company is not a landholder

No landholder duty should be payable on the acquisition of Shares under the IPO by the investor where the Company is not a landholder in any State or Territory.

9.8.5 Australian Goods and Services Tax

Under current Australian GST law, GST should not be payable in respect of the issue of Shares by the Company or the sale of Shares by SaleCo which will be input taxed financial supplies made to Australian investors. No GST will be payable on the payment of dividends on the basis dividends are not consideration for any supply.

However, Australian investors may be charged GST on brokerage, or other professional advisory services acquired by them in their own right in relation to the Proposed IPO of the Company.

Australian investors should seek their own advice to determine whether they will be entitled to claim GST incurred on costs associated with the acquisition of Shares.

9.9 Foreign selling jurisdictions

This document does not constitute an offer of securities in any jurisdiction in which it would be unlawful. Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

9.9.1 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency; or
- subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ\$750,000.

9.9.2 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

9.9.3 Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9.9.4 General foreign selling restrictions

The offer of Shares under this Prospectus does not constitute a public offer in any jurisdiction outside Australia. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to permit otherwise a public offering of the Shares in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Section 9 – Additional information continued

9.10 Costs of the Offer

The total expenses of the Offer (exclusive of GST) are estimated to be approximately \$2.8m and are expected to be applied towards the items set out below.

Item of expenditure	Cost
Underwriting, selling and management fees	\$1,219,500
Legal fees	\$290,000
Tax and accounting fees	\$813,000
Marketing, printing and distribution	\$200,000
Other costs	\$248,825
Total	\$2,771,325

9.11 Consents to be named and disclaimers of responsibility

Each of the parties referred to below, 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.

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- Bell Potter Securities Limited (**Bell Potter**) has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Lead Manager in the form and context in which it is named. Bell Potter has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Baker & McKenzie has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named. Baker & McKenzie has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- KPMG Transaction Services has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Investigating Accountant in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included. KPMG Transaction Services has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- KPMG has given, and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as auditor, in the form and context in which it is named. KPMG has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Link Market Services has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Link Market Services has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company; and
- Frost & Sullivan has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the independent expert in the form and context it is so named.

No entity or person referred to above in Section 9.11 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons and entities referred to above in this Section 9.11 has not authorised or caused the issue of this Prospectus, does not make any offer of New Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except as stated above in this Section 9.11.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 this Prospectus may include or be accompanied by certain statements fairly representing a statement by an official person, or from a public official document or a published book, journal or comparable publication.

9.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.13 Statement of Directors

Each Director of the Company and SaleCo has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act.

This Prospectus is signed by a Director of Wiseway Group Limited in accordance with section 351 of the Corporations Act.

**Significant
accounting
policies**



Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information included in Section 4 and Appendix A are set out below.

1.1 Principles of consolidation

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Wiseway's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed below.

1.1.1 Business combination

Wiseway Group accounts for business combinations using the acquisition method when control is transferred to Wiseway Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

1.1.2 Subsidiaries

Subsidiaries are entities controlled by Wiseway Group. Wiseway Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.1.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in Wiseway Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of Wiseway Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2 Foreign currency

1.2.1 Functional and presentation currency

Items included in the Financial Information are measured using the currency of the primary economic environment in which Wiseway operates (functional currency). The Financial Information is presented in Australian dollars, which is Wiseway's functional and presentational currency.

1.2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of Wiseway Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Appendix A – Significant accounting policies continued

1.3 Property, plant and equipment

1.3.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to Wiseway Group.

1.3.2 Depreciation

The depreciable amount of all fixed assets, including capitalised lease is depreciated on a straight-line basis over the asset's useful life to Wiseway Group commencing from the time the asset is held ready for use. However, all motor vehicles are depreciated using the diminishing value method.

Class of fixed asset:	Useful life
Vehicles	3-4 years
Furniture and fixtures	5-10 years
Office equipment	5-10 years
Leasehold improvements	25 years

Depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. The Wiseway Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Wiseway Group's activities as described below. The Wiseway Group bases its estimates on Historical Annual Results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1.4.1 Provision of services

Revenue from the provision of freight services is determined with reference to the date of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

1.5 Financial instruments

1.5.1 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that Wiseway Group commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are recognised as expenses in profit or loss immediately.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest rate (**EIR**) method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

1.5.2 Loans and receivables

These assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables are recognised at amortised cost, less any provision for impairment.

1.5.3 Cash and cash equivalents

Cash comprises cash on hand and cash equivalents are short-term, highly liquid investments that are readily convertible to known cash amounts of cash and which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents includes bank overdrafts (if any) that are repayable on demand and form an integral part of Wiseway Group's cash management.

1.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

1.7 Impairment of assets

1.7.1 Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

1.7.2 Financial assets measured at amortised cost

Wiseway Group considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment Wiseway Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.7.3 Non-financial assets

At each reporting date, Wiseway Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (**CGUs**). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Appendix A – Significant accounting policies continued

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

1.8 Employee benefits

A provision is made for Wiseway Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

1.8.1 Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

1.8.2 Other long-term employee benefits

Wiseway Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

1.9 Provisions

A provision is recognised if, as a result of a past event, Wiseway Group has a present legal or constructive obligation that can be estimated reliably and if it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

1.10 Finance income and finance costs

Finance income comprises interest income, dividend income and foreign currency gains. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Finance costs comprise interest expense on borrowings, foreign currency losses and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

1.11 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

1.12 Leases

1.12.1 Determining whether an arrangement contains a lease

At inception of an arrangement, Wiseway Group determines whether such an arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, Wiseway Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If Wiseway Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using Wiseway Group's incremental borrowing rate.

Assets held by Wiseway Group under leases, which transfer to Wiseway Group substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in Wiseway Group's statement of financial position.

1.12.2 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

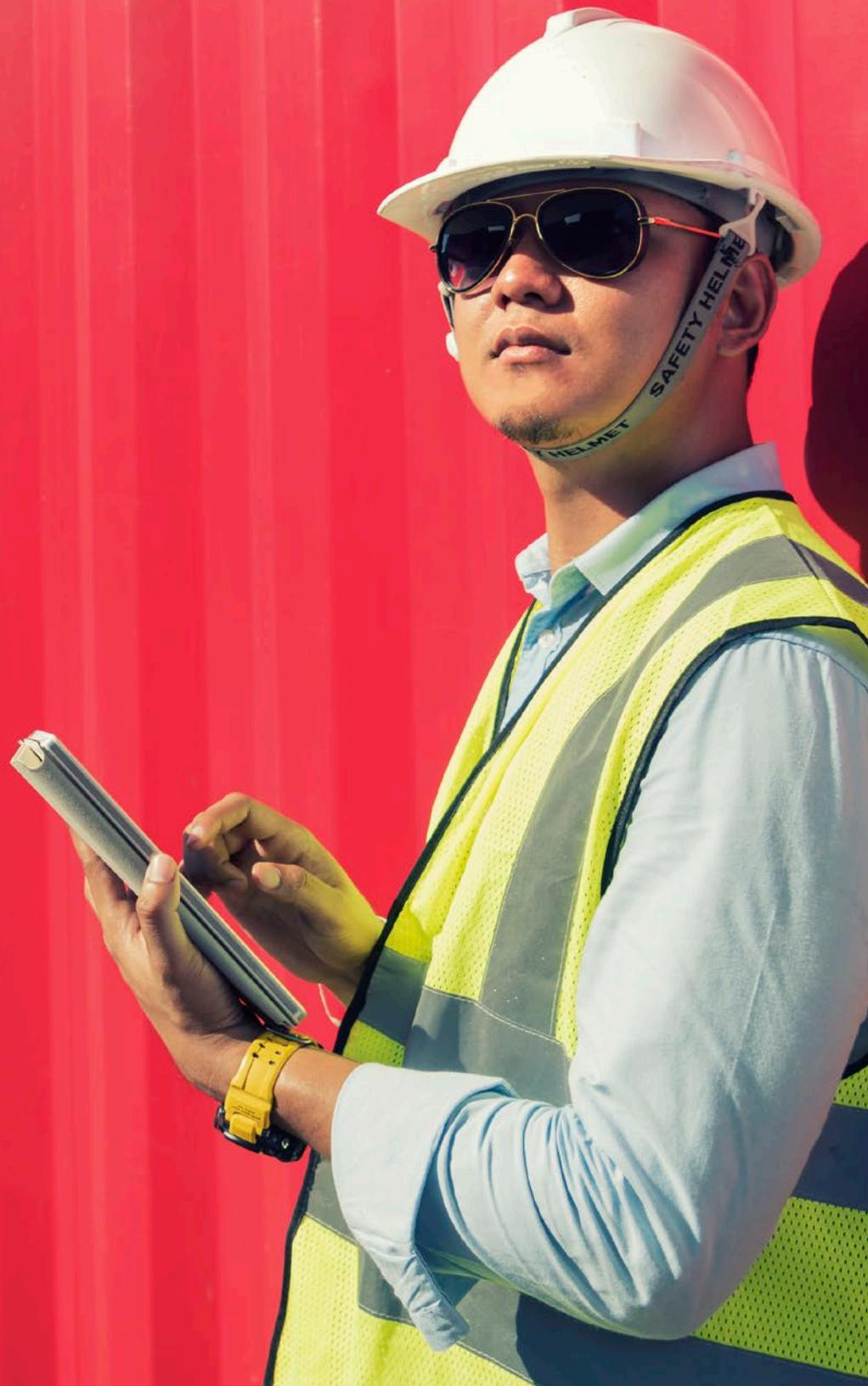
1.13.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous periods. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax liability arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

1.13.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset only if certain criteria are met.



Glossary

B

Term	Meaning
1H 2019	the 6 months ended 31 December 2019
1H 2020	the 6 months ended 31 December 2020
AAS	Australian Accounting Standards
AASB	the Australian Accounting Standards Board
ABN	Australian Business Number
Applicant	a person who submits an Application
Application	an application made to subscribe for Shares offered under this Prospectus
Application Form	the application form attached to or accompanying this Prospectus
Application Monies	the amount of monies accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	the Australian Securities Exchange
ASX Listing Rules	the listing rules of ASX, as amended, modified or waived from time to time
ASX Principles	The 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principle and Recommendations
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	the operating rules of ASX Settlement
Australian Accounting Standards	the Australian Accounting Standards and other authoritative pronouncements issued by the AASB
Baker & McKenzie	Baker & McKenzie (ABN 32 266 778 912)
Bell Potter	Bell Potter Securities Limited (ACN 006 390 772)
Board or Board of Directors	the board of directors of Wiseway
BPAY®	the payment mechanism used to pay Application Monies online
Broker	any ASX participating organisation selected by the Lead Manager and Wiseway to act as a broker to the Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of participating Brokers who have received a firm allocation from their Broker (provided that such clients are not in the United States), as described in Section 7.3
Broker Firm Offer Application Form	the Application Form made available with a copy of this Prospectus, identified as the Broker Firm Offer Application Form
Business Days	a day on which: a) ASX is open for trading in securities; and b) banks are open for general banking business in Sydney, Australia.
CAGR	compound annual growth rate
Chairman	the Chairman of the Board
CHES	ASX's Clearing House Electronic Sub-register System. See Section 7.10.2
Closing Date	The date on which the Offer is expected to close, being 23 October 2018
Company	WiseWay Group Limited (ACN 624 909 682)
Completion of the Offer	the allocation and issue of Shares to the Successful Applicants under this Prospectus
Constitution	the constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CPI	consumer price index
CSA	a cargo sales agency agreement as described in Section 3.6.2
Director	a member of the Board
Dividend Policy	has the meaning given in Section 4.10
EBIT	Earnings before interest and taxation

Appendix B – Glossary continued

Term	Meaning
EBITDA	Earnings before interest, taxation, depreciation and amortisation
Eligible Employees	has the meaning given in Section 7.4.1
Employee Gift Offer	has the meaning given in Section 7.4
Employee Gift Offer Application Form	an online application form provided to Eligible Employees in relation to the Employee Gift Offer
End Date	The first to occur of: a) 30 December 2018; or b) the date which the Company advises each Shareholder that the IPO will not proceed.
Enterprise Value	the sum of market capitalisation at the Offer Price and pro forma net debt
Escrowed Shareholders	The holders of Shares that are escrowed for a period of time referred to, and described, in Section 9.6
Escrowed Shares	The Share retained immediately following Completion of the Offer by the Escrowed Shareholders
Existing Shareholders	Shareholders in the Company as at the date the Prospectus Date
Expiry Date	The date on which this Prospectus expires, being the date which is 13 months after the Prospectus Date
Exposure Period	The seven day period after the Prospectus Date, which may be extended by ASIC by a further period of 7 days, during which no Applications may be processed by the Company
Financial Information	The financial information described as Financial Information in Section 4
Forecast Financial Information	The financial information described as Forecast Financial Information in Section 4
Founders	Mr Roger Tong and Mrs Florence Tong, the founding shareholders of Wiseway
FY	Abbreviation for the Financial Year ending 30 June
Governmental Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency, bureau, municipal, board, instrumentality or entity in any jurisdiction and includes ASIC and the Takeovers Panel
Group Member	a member of the Group
GSA	a general sales agency agreement as described in Section 3.6.2
GST	Goods and services tax
Historical Financial Information	The financial information described as Historical Financial Information in Section 4
IATA	International Air Transport Association
IFRS	International Financial Reporting Standards
Insolvent	A person is Insolvent if: a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Lead Manager); d) an application or order has been made, resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; f) it is the subject of an event described in sections 459C(2)(b) or 585 of the Corporations Act (or it makes a statement from which the Lead Manager reasonably deduce it is so subject); g) it is otherwise unable to pay its debts when they fall due; or h) something having a substantially similar effect to sub-paragraphs (a) to (g) above happens in connection with that person under the law of any jurisdiction.

Term	Meaning
Institutional Investors	Investors who are: <ul style="list-style-type: none"> • persons who are wholesale clients under Section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or • institutional investors in certain other jurisdictions, as agreed by the Company and the Lead Manager, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approved by, any government agency (except one with which the Company is willing in its discretion to comply); and provided that in each case such investors are not in the United States.
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.6
Investigative Accountant	KPMG Transaction Services
IPO	initial public offering
IT	Information technology
KPMG	KPMG (ABN 51 194 660 183)
KPMG Transaction Services	KPMG Transaction Services, a division of KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007363 215)
Lead Manager	Bell Potter
Listing	the expected admission of the Company to the Official List
LTI	Long Term Incentives
Management	the executive management team of the Wiseway Group
New Shareholders	shareholders other than Shareholders at the Prospectus Date
NPAT	Net profit after tax
Offer	the offering of Shares under this Prospectus
Offer Period	the period from the Opening Date to the Closing Date
Offer Price	\$0.50 per Share
Official List	the official list of entities that ASX has admitted to and not removed from listing
Opening Date	the date on which the Retail Offer opens
PBT	Profit before tax
Priority Offer	the offer of Shares under this Prospectus to Priority Applicants who have received a Priority Offer invitation, as described in Section 7.5
Priority Offer Application Form	an online application form provided to eligible participants in relation to the Priority Offer
Pro Forma Historical Annual Cash Flows	Defined in Section 4.1.1
Pro Forma Historical Annual Results	Defined in Section 4.1.1
Pro Forma Historical Financial Information	Defined in Section 4.1.1
Pro Forma Historical Statement of Financial Position	Defined in Section 4.1.1
Pro Forma Forecast Annual Results	Defined in Section 4.1.1
Pro Forma Forecast Annual Cash Flows	Defined in Section 4.1.1

Appendix B – Glossary continued

Term	Meaning
Prospectus	this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	the date on which a copy of this Prospectus is lodged with ASIC, being 8 October 2018
Public Information	public and other media statements made by, or on behalf and with the knowledge and consent of the Company, SaleCo or any other Group Member in relation to the business or affairs of the Company, SaleCo, the Group or the Offer.
Representatives	in respect of a person, its Affiliates and the officers, directors, employees, partners, contractors, agents, advisers and representatives of the person and / or of an Affiliate of the person
Retail Offer	comprises the Broker Firm Offer, Employee Gift Offer and the Priority Offer
SaleCo	Wiseway Group SaleCo Limited (ACN 628 699 543)
Sale Shares	the shares Selling Shareholders have irrevocably offered to sell to SaleCo
Settlement Date	The settlement date in respect of the Shares and the subject of the Offer occurring under the Underwriting Agreement
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a registered holder of Shares
Share Registry	Link Market Services Limited (ACN 083 214 537)
SRN	Security Reference Number issued by the Share Registry
Statutory Historical Annual Cash Flows	Defined in Section 4.1.1
Statutory Historical Annual Results	Defined in Section 4.1.1
Statutory Historical Financial Information	Defined in Section 4.1.1
Statutory Historical Statement of Financial Position	Defined in Section 4.1.1
Statutory Forecast Annual Results	Defined in Section 4.1.1
Statutory Forecast Annual Cash Flows	Defined in Section 4.1.1
STI	Short Term Incentives
Successful Applicant	an Applicant who is issued Shares under the Offer
TFN	tax file number
Timetable	The timetable in respect of the Shares and the subject of the Offer set out in the Underwriting Agreement
Underwriting Agreement	the underwriting agreement between the Company, SaleCo and the Lead Manager dated on or about the date of this Prospectus
US Securities Act	The Securities Act 1933, as amended
Wiseway	Wiseway Group Limited (ACN 624 909 682)
Wiseway Group	the group of entities currently owned by Wiseway (including Wiseway)
Wiseway Logistics	Wiseway Logistics Pty Ltd (ACN 123 556 561)

Corporate Directory

Registered Office

Wiseway Group Limited
39-43 Warren Avenue
Bankstown NSW 2000

Lead Manager

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000

Australian Legal Adviser

Baker & McKenzie
Tower One – International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000

Investigating Accountant

KPMG Transaction Services
A division of KPMG Financial Advisory Services (Australia)
Pty Limited
Level 38, Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Auditor

KPMG
Level 38, Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

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www.wiseway.com.au