



18 September 2023

The Manager  
Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**Takeover bid by BlackWall Limited ACN 146 935 131 for Pelorus Private Equity Limited – bidder's statement**

BlackWall Limited ACN 146 935 131 (ASX:BWF) (**BWF**) refers to its announcement to market on 24 August 2023 regarding an off-market takeover bid (**Takeover Bid**) to acquire all of the issued shares in Pelorus Private Equity Limited ACN 091 209 639 (**Pelorus**).

Pursuant to item 5 of subsection 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we enclose for release a copy of BWF's bidder's statement in relation to the Takeover Bid (**Bidder's Statement**).

A copy of the Bidder's Statement was lodged with the Australian Securities and Investments Commission (ASIC) and served on Pelorus earlier today.

Yours faithfully

A handwritten signature in black ink, appearing to read "A Ryan".

**Agata Ryan**  
Company Secretary

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

# **BIDDER'S STATEMENT**

containing a recommended Offer by

BlackWall Limited  
(ACN 146 935 131)

to acquire all of your shares in

Pelorus Private Equity Limited  
(ACN 091 209 639)

You will receive 1 BlackWall Limited share for every 3 of your Pelorus Private Equity Limited shares.

The Independent Pelorus Director recommends you ACCEPT the Offer in the absence of a Superior Proposal.

This Offer is dated 18 September 2023 and will close at 7.00pm (Sydney time) on 19 October 2023, unless extended or withdrawn. This Bidder's Statement was lodged with ASIC on 18 September 2023.

If you have any questions, including in relation to how to accept the Offer, please contact BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time) during the Offer Period.

## Important information

### Key dates

Announcement of Offer	24 August 2023
Bidder's Statement lodged with ASIC and dated	18 September 2023
Date of Offer	18 September 2023
Offer Period opens	18 September 2023
Offer Period closes (unless extended or withdrawn)	19 October 2023

### Nature of this document

This Bidder's Statement is issued by BlackWall Limited ACN 146 935 131 (**BlackWall**) under Part 6.5 of the *Corporations Act 2001* (Cth) (Corporations Act) to acquire all of the ordinary shares in Pelorus Private Equity Limited ACN 091 209 639 (**Pelorus**).

This Bidder's Statement is dated 18 September 2023 and includes an Offer dated 18 September 2023 on the terms and conditions set out in Appendices 1 and 2.

A copy of this Bidder's Statement was lodged with ASIC and given to ASX on 18 September 2023. Neither ASIC, nor the ASX, nor any of their respective officers, take any responsibility for the content of this Bidder's Statement.

This Bidder's Statement is an important document and you should read it in its entirety.

### Investment advice

In preparing this Bidder's Statement, BlackWall has not taken into account the individual objectives, financial situation or needs of individual Pelorus Shareholders. Accordingly, before deciding whether or not to accept the Offer, you may wish to consult with your financial, tax, legal or other professional adviser.

### Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which members of the BlackWall Group and Pelorus Group operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of BlackWall, its Related Bodies

Corporate or any of the officers or employees of any of them, nor any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

### Disclaimer as to Pelorus and Combined Group information

The information on Pelorus, Pelorus Shares and the Pelorus Group contained in this Bidder's Statement has been prepared by BlackWall using publicly available information and certain information provided by Pelorus to BlackWall, and should not be considered comprehensive.

The information in this Bidder's Statement concerning Pelorus and the assets and liabilities, financial position and performance, profits and losses and prospects of the Pelorus Group has not been independently verified by BlackWall. Accordingly, subject to the Corporations Act, BlackWall does not make any representation or warranty (express or implied) as to the accuracy or completeness of any such information.

The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Pelorus and the Pelorus Group, has also been prepared using publicly available information and certain information provided by Pelorus to BlackWall. Accordingly, such information is subject to the foregoing disclaimer.

Further information relating to Pelorus' business may be included in Pelorus' Target's Statement, which Pelorus must provide to Pelorus Shareholders in response to this Bidder's Statement.

### No guarantee of capital or investment returns

Except as required by law, and only to the extent so required, no person named in this Bidder's Statement nor any other person, warrants or guarantees BlackWall's performance with or without the acquisition of Pelorus or any return on investment made pursuant to this Bidder's Statement.

Acceptance of the Offer is not a deposit with or other liability of BlackWall or any other related party or associate of BlackWall. The Offer Consideration to be received under the Offer is subject to investment risk including loss of income or principal invested. Neither BlackWall nor any of

its related parties or associates, gives any representation or warranty (express or implied), assurance or guarantee (express or implied), as to the performance of the New BlackWall Shares, any particular rate of return on the New BlackWall Shares or the repayment of capital or principal.

### **Foreign jurisdictions**

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it 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 Bidder's Statement does not constitute an offer (whether to sell or buy securities) in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify BlackWall or to otherwise permit a public offering of BlackWall Shares outside Australia. BlackWall Shares have not been, and will not be, registered under the *United States Securities Act of 1933* (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

None of the US Securities Exchange Commission, any United States securities commission or any other United States regulatory authority has passed comment upon or endorsed the merits of the Offer or the accuracy, adequacy or completeness of this Bidder's Statement.

### **Notice to Pelorus Shareholders resident outside Australia**

This Bidder's Statement does not constitute an offer of BlackWall Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the BlackWall Shares may not be offered or sold, in any country outside Australia except to existing Pelorus Shareholders to the extent permitted below.

#### *New Zealand*

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law.

The offer of BlackWall Shares is being made to existing shareholders of Pelorus in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this

Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

### **Privacy**

BlackWall has collected your information from the register of Pelorus security-holders for the purpose of making the Offer and, if accepted, administering acceptances of the Offer in respect of your holding of Pelorus Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Related Bodies Corporate and external service providers of BlackWall, and may be required to be disclosed to regulators such as ASIC.

The registered address of BlackWall is Level 1, 50 Yeo Street, Neutral Bay, NSW, 2089.

### **Defined terms**

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 11, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

### **Internet sites**

BlackWall and Pelorus each maintain internet sites. The URL location for BlackWall is <https://BlackWall.com.au/> and for Pelorus is <https://pelorus.com.au/>. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in the Bidder's Statement are for information purposes only.

### **Estimates and assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by BlackWall's management. Management estimates reflect, and are based on, views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

### **Effect of rounding**

Fractional entitlements of Pelorus Shareholders who accept the Offer will be rounded up to the nearest whole BlackWall Share.

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

## **Currencies**

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of BlackWall or Pelorus in respect of which different exchange rates may have been, or may be, used.

## **Figures and diagrams**

Any diagrams appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in figures, charts, graphs and tables is based on information available at the date of this Bidder's Statement.

## **Updated information**

Information contained in this Bidder's Statement is subject to change from time to time. This information may be updated and made available to you on BlackWall's website at BlackWall is <https://BlackWall.com.au/> where that information is not of a kind that is required to be included in a supplementary Bidder's Statement (that is, where that information is not material). Requests for free hard copies of any updated information may be made by contacting BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time) during the Offer Period.

## How to accept the Offer

The Offer may only be accepted for all of your Pelorus Shares. You may accept the Offer during the Offer Period in the manner specified below.

### Acceptance Form

To accept the Offer you must complete, sign and return the Acceptance Form which accompanies this Bidder's Statement in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated on the form (and set out below) so that your acceptance is received by BlackWall before the Offer Period closes, being 7.00pm (Sydney Time) on 19 October 2023 (unless extended or withdrawn).

The Acceptance Form forms part of the Offer. The requirements on the Acceptance Form must be observed to validly accept the Offer for your Pelorus Shares. In particular, the Acceptance Form requires that you return with the Acceptance Form original copies of any Pelorus share certificates that you hold, or if you do not hold original Pelorus share certificates you must make certain representations about them.

The postal and email delivery addresses for your completed Acceptance Form and other documents are as follows:

#### BY MAIL

A reply paid envelope is enclosed

**BlackWall Limited (Pelorus Takeover Offer)**  
PO Box 612  
Neutral Bay NSW 2089

#### BY HAND

**BlackWall Limited (Pelorus Takeover Offer)**  
50 Yeo Street  
Neutral Bay NSW 2089

#### BY EMAIL

To accept via email, scan your completed Acceptance Form and send a copy to:

**Re: BlackWall Limited (Pelorus Takeover Offer)**  
[info@blackwall.com.au](mailto:info@blackwall.com.au)

The transmission of your completed Acceptance Form and other documents is at your own risk.

Full details on how to accept the Offer are set out in Appendix 1 and the enclosed Acceptance Form.

### Further information

If you are in any doubt as to how to deal with the Application Form you should consult your professional adviser.

If you have any questions about the Offer or how to accept it, please contact BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time) during the Offer Period.

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## Chairman's letter

18 September 2023

Dear Pelorus Shareholder

On behalf of the Directors of BlackWall, I am pleased to present you with this Bidder's Statement which details BlackWall's Offer to acquire all of your Pelorus Shares.

### Offer price

If you elect to participate in the Offer and the Offer becomes unconditional, you will receive 1 BlackWall Share for every 3 Pelorus Shares you own (**Offer Price**).

### Offer structure

The proposed share-for-share structure in the Offer allows Pelorus Shareholders to meaningfully share in the significant upside potential of the Combined Group.

Where all outstanding Pelorus Shares are acquired as part of the Offer, Pelorus Shareholders would collectively hold approximately 60% of the Combined Group, which would have an asset base of \$100 million and greater income potential.

### Implied value under the offer

The implied value of the Offer is approximately \$0.60 per BlackWall share based on adjusted net asset value and therefore \$0.20 per Pelorus share..

For the reasons set out in this Bidder's Statement (and summarised opposite), I strongly encourage all Pelorus Shareholders to ACCEPT the Offer.

### Reasons to accept the offer

1. You will be able to trade your BlackWall Shares on ASX or hold your BlackWall Shares to benefit from any future increase in their market value.
2. De-risks your investment in Pelorus within a stronger, larger and more diversified Combined Group, with accelerated commercialisation and monetisation opportunities from a combined development pipeline and

potential to realise significant cost synergies.

3. Potential access to scrip for scrip rollover relief, which defers any capital gains otherwise evident on the sale of Pelorus Shares.

There are a number of other reasons why you should choose to participate in the Offer.

### Recommended by the Independent Pelorus Director

The Offer has been recommended by the Independent Pelorus Director, with the Independent Pelorus Director recommending that Pelorus Shareholders ACCEPT the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is Favourable to Pelorus Shareholders.

### The offer is subject to only a limited number of conditions

The Offer is subject only to a limited number of conditions set out in Appendix 2, including that:

1. BlackWall acquires a Relevant Interest in at least 80% of Pelorus Shares by the end of the Offer Period.
2. Blackwall Shareholders approve the Takeover Bid and associated issue of the Offer Consideration for the purposes of ASX Listing Rules 7.1, 10.1 and 10.11.
3. WOT Members approve the acquisition of Relevant Interests in WOT Securities arising in connection with the Takeover Bid pursuant to item 7 of section 611 of the Corporations Act.



## **About BlackWall**

BlackWall is a publicly listed company that derives its revenue from the management, performance and transaction fees from real estate investment structures – the largest of which is the ASX listed flexible property security, WOTSO Property (ASX: WOT).

## **Conclusion**

Details of the Offer, including its terms and Conditions, are set out in this Bidder's Statement. I encourage you to read this Bidder's Statement carefully and in full, and to accept the Offer as soon as possible.

The Offer is open for your acceptance until 7:00 pm (Sydney time) on 19 October 2023, unless otherwise extended.

To accept the Offer, you should follow the instructions in this Bidder's Statement and in the enclosed Acceptance Form.

If you have any questions about the Offer, please contact the Company (Emily Franca) on +612 9033 8611 between 9:00am and 5:00pm Monday to Friday (Sydney time) during the Offer Period.

Thank you for your consideration of our Offer. We look forward to receiving your acceptance.

Yours faithfully



Seph Glew  
Executive Chairman  
BlackWall Limited

# Overview of the Offer

**1. If you accept the Offer, you will receive 1 New BlackWall Share for every 3 Pelorus Shares which you hold**

Based on the trading price of BlackWall Shares on ASX on the day before the Announcement Date, the Offer represents attractive consideration for Pelorus Shareholders. Because you are being offered New BlackWall Shares for your Pelorus Shares, the “value” of the Offer depends on the value or price of BlackWall Shares from time to time. Each participating Pelorus Shareholder will receive New BlackWall Shares issued at \$0.60 per New BlackWall Share (based on the adjusted net asset value of BlackWall).<sup>1</sup>

The value of the Offer may change as a consequence of changes in the market price of BlackWall Shares since the Announcement Date and after the date of this Bidder’s Statement.

**2. The Offer Consideration provides liquidity**

Pelorus Shares are not listed on a securities exchange and there is no active market or mechanism for achieving liquidity for Pelorus Shares. The Offer provides Pelorus Shareholders with the ability to trade the BlackWall Shares on ASX.

**3. CGT rollover relief**

Pelorus Shareholders that accept the Offer and receive the Offer Consideration and make a capital gain from the disposal of their Pelorus Shares may be able to choose to obtain CGT rollover relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth) in respect of the Offer Consideration.

While the Takeover Bid is subject to an 80% minimum acceptance condition, BlackWall may waive this Condition. If BlackWall does not obtain 80% or more of the Pelorus Shares under the Offer and waives this Condition, Pelorus Shareholders who accept the Offer and receive BlackWall Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the BlackWall Shares received in exchange for the Pelorus Shares.

**4. If the Offer is not successful, and no alternative proposal emerges, you may not be able to sell your Pelorus Shares**

If the Offer is not successful, and in the absence of a competing offer, there is a real risk that the value of your Pelorus Shares may decrease, therefore reducing the value of your investment and your exit opportunities.

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<sup>1</sup> This page contains references to trading data sourced from CommSec. CommSec has not consented to the use of the references to this trading data in this Bidder’s Statement.

# Frequently asked questions

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information otherwise contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

Part A of this section deals with the Offer. Part B deals with BlackWall, its business and assets and BlackWall Shares. Part C deals with risks relating to BlackWall, Pelorus, the Offer and the Combined Group. Part D deals with other relevant questions.

## Part A – Overview of the Offer

No.	Question	Answer	Further Information
1.	What is the Offer?	BlackWall is offering to buy all of the Pelorus Shares that exist, or will exist at the Register Date on the terms set out in this Bidder's Statement (including and Conditions in Appendix 2).	Appendices 1 and 2
2.	Who is making the Offer?	BlackWall Limited ACN 146 935 131 (ASX:BWF)	Appendix 1
3.	What will receive if I accept the Offer?	<p>If you accept the Offer, subject to the fulfilment or waiver of the Conditions, you will be entitled to receive 1 BlackWall Share for every 3 Pelorus Shares that you own.</p> <p>If you are an Ineligible Foreign Shareholder (being a Pelorus Shareholder whose address as shown in the register of members of Pelorus is in a jurisdiction other than Australia or its external territories, New Zealand – see the definition of 'Ineligible Foreign Shareholder' for further information) and elect to participate in the Offer, you will not receive BlackWall Shares. Instead you will be paid by the Nominee the net proceeds of the sale of the BlackWall Shares you would have otherwise been entitled to.</p>	Appendix 1
4.	Why should I accept the Offer?	<p>The BlackWall Board believes that there are a number of reasons why you as a Pelorus Shareholder should accept the Offer, namely:</p> <p>(a) The Independent Pelorus Director recommends you ACCEPT the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is Favourable to Pelorus Shareholders.</p> <p>(b) Based on the trading price of BlackWall Shares on ASX on the day before the Announcement Date, the Offer provides attractive consideration for your Pelorus Shares.</p> <p>(c) You will become a shareholder in a larger company and potentially benefit from greater economies of scale.</p>	Section 1

No.	Question	Answer	Further Information
		<p>(d) You will be able to trade your BlackWall Shares on ASX or hold your BlackWall Shares to benefit from any future increase in their market value.</p> <p>(e) You will have the opportunity to share in the potential upside of BlackWall's business.</p> <p>(f) BlackWall has an experienced management team.</p>	
5.	What is the value of the Offer?	<p>Because you are being offered New BlackWall Shares for your Pelorus Shares, the "value" of the Offer depends on the value or price of BlackWall Shares from time to time. Each participating Pelorus Shareholder will receive New BlackWall Shares issued at \$0.60 per New BlackWall Share.</p> <p>Based on the trading price of BlackWall Shares on ASX on the day before the Announcement Date, BlackWall believes that its Offer represents attractive consideration for the Pelorus Shares. However, the value of the Offer may change as a consequence of changes in the market price of BlackWall Shares since the Announcement Date after the date of this Bidder's Statement.</p>	N/A
6.	When does the Offer open and close?	<p>The Offer opens on 18 September 2023 and is current scheduled to close at 7:00pm (Sydney time) on 19 October 2023, unless it is extended or withdrawn under the Corporations Act (<b>End Date</b>).</p> <p>The Offer Period can be extended at BlackWall's election or otherwise in accordance with the Corporations Act. BlackWall will give written notice of any extension of the Offer Period in accordance with the Corporations Act.</p>	Appendix 1
7.	When will I receive the Offer Consideration?	<p>If you validly accept the Offer and the Offer becomes unconditional then you will be provided with the Offer Consideration on or before the earlier of:</p> <ul style="list-style-type: none"> <li>1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and</li> <li>21 days after the end of the Offer Period.</li> </ul> <p>Full details of when Offer Consideration will be provided are set out in Appendix 1 of this Bidder's Statement.</p> <p>Ineligible Foreign Shareholders will be provided with the net proceeds of the sale to which they are entitled under the Offer at a different time. See section 7 for more information.</p>	Appendix 1

No.	Question	Answer	Further Information
8.	Can I accept the Offer for part of my holding?	No. You cannot accept for part of your holding. You can only accept the Offer for <u>ALL</u> of your Pelorus Shares.	Appendix 1
9.	Will I receive fractional BlackWall Shares?	No. If you accept the Offer and the number of New BlackWall Shares you become entitled to is not a whole number, that fraction will be rounded up to the nearest whole number of New BlackWall Shares.	Appendix 1
10.	What is the Register Date?	This is the date set by BlackWall pursuant to section 633(2) of the Corporations Act (being 18 September 2023). The Offer relates to all Pelorus Shares that exist, or will exist, on the Register Date.	Section 10.3, Appendix 1

## Part B – Overview of BlackWall

No.	Question	Answer	Further Information
11.	Who is BlackWall?	<p>BlackWall is a publicly listed company that derives its revenue from the management, performance and transaction fees from real estate investment structures – the largest of which is the ASX listed flexible property security, WOTSO Property (ASX: WOT).</p> <p>BlackWall is listed on ASX and has a market capitalisation of approximately \$38.126 million based on BlackWall's closing share price on the last trading day immediately prior to the Announcement Date.</p>	Section 2
12.	What is the financial profile and performance of BlackWall?	<p>BlackWall recently reported the following results for FY23:</p> <ul style="list-style-type: none"> <li>• <b>Revenue:</b> \$6,910,000</li> <li>• <b>Funds From Activities:</b> \$3,104,000</li> <li>• <b>NPAT:</b> (\$1,006,000)</li> <li>• <b>EPS:</b> (\$0.015)</li> </ul>	Section 2.4
13.	Who are the BlackWall Directors and what experience do they have?	<p>The BlackWall Directors are:</p> <ul style="list-style-type: none"> <li>• Mr Joseph (Seph) Glew, Non-Executive Director and Chairman;</li> <li>• Mr Timothy Brown, Joint Managing Director and CFO;</li> <li>• Ms Jessica (Jessie) Glew, Joint Managing Director and COO;</li> <li>• Mr Richard Hill, Non-Executive Director; and</li> <li>• Mr Robin Tedder, Non-Executive Director.</li> </ul>	Section 2.2 and 2.3

No.	Question	Answer	Further Information
		The BlackWall Directors, together with the BlackWall management team, have significant business experience in managing and investing in a broad range of assets.	
14.	What rights and liabilities will attach to my New BlackWall Shares?	The New BlackWall Shares issued under this Offer will be issued fully paid and will from the time of issue rank equally with existing BlackWall Shares.	Section 3.4
15.	Do the BlackWall Directors have any securities, or potential conflicts of interest, in relation to Pelorus?	Yes, the BlackWall Directors and management have various interests in Pelorus Shares.  The interests held by the BlackWall Directors in Pelorus Shares are disclosed in section 10.13(a)(i).	Section 10.13(a)(i)
16.	Do the BlackWall Directors and management have any interest in BlackWall Shares?	Yes, the BlackWall Directors and management have various interests in BlackWall Shares.  The interests held by the BlackWall Directors in BlackWall Shares are disclosed in section 10.13(a)(iii).	Section 10.13(a)(iii)
17.	What Relevant Interest does BlackWall have in Pelorus Shares?	As of the date of this Bidder's Statement, BlackWall does not have a Relevant Interest or voting power in any Pelorus Shares.  However as disclosed in section 10.13(a), certain Directors of BlackWall have a Relevant Interest in Pelorus arising from their indirect holdings of Pelorus Shares. The holders of these Pelorus Shares are not associates of BlackWall for the purposes of Chapter 6 of the Corporations Act/	Sections 4.4(c) and 10.13(a)
18.	How will BlackWall fund the Offer Consideration?	The consideration for the acquisition of the Pelorus Shares will be satisfied by the issue of BlackWall Shares.  BlackWall has the capacity to issue the maximum number of BlackWall Shares which it may be required to issue under the Offer.	N/A

## Part C – Overview of risks

If you accept the Offer and it becomes unconditional, you will be issued New BlackWall Shares. A summary of some of the key risks associated with an investment in BlackWall Shares and with the Offer itself is set out below. These key risks, together with other risk factors, including general industry and investment risks, are described in detail in section 8. You should carefully consider each of the risks in section 8 before deciding whether to accept the Offer.

No.	Question	Answer	Further Information
19.	What are some of the key risks of an investment in BlackWall?	Set out below is a summary of the key risks specific to an investment in BlackWall: <ul style="list-style-type: none"> <li><b>Market volatility:</b> Property markets can be subject to fluctuations, which can impact</li> </ul>	Sections 8.2 sets out these and other risks specific to an investment in

		<p>the performance of property investments. Economic downturns, changing interest rates as well as local and global market conditions can create challenges in achieving desired returns.</p> <ul style="list-style-type: none"> <li>• <b>Dependency on external factors:</b> BlackWall is affected by external factors such as property market conditions, government regulations and financing availability. Changes in these factors, such as stricter regulations or limited credit availability, can affect operations and performance.</li> <li>• <b>Valuation challenges:</b> Property valuations are subjective and influenced by market conditions and individual appraisals.</li> </ul>	BlackWall in further detail.
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## Part D – Other Relevant Questions

No.	Question	Answer	Further Information
20.	If I accept the Offer, can I withdraw my acceptance?	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, BlackWall varies the Offer in a way that postpones for more than 1 month the time that BlackWall has to meet its obligations under the Offer (for example, if BlackWall extends the Offer for more than 1 month while the Offer remains subject to any of the Conditions).	Appendix 1
21.	Can I trade my Pelorus Shares after I have accepted the Offer?	No, once you have accepted the Offer, you agree not to sell your Pelorus Shares to anyone other than BlackWall.	Appendix 1
22.	What if I am an Ineligible Foreign Shareholder?	Ineligible Foreign Shareholders that accept the Offer will not receive BlackWall Shares. Rather, the BlackWall Shares that Ineligible Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Ineligible Foreign Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account. BlackWall's determination of whether a Pelorus Shareholder is an Ineligible Foreign Shareholder will be final.	Sections 10.9 and 7
23.	What happens if I do not accept the Offer?	<p>You will remain a Pelorus Shareholder and will not receive the Offer Consideration. If BlackWall becomes entitled to compulsorily acquire your Pelorus Shares, it intends to proceed with compulsory acquisition.</p> <p>Refer to sections 7.3 for details regarding BlackWall's intentions, including if BlackWall does not become entitled to compulsorily acquire your Pelorus Shares.</p>	Sections 7.3 and 8.4(g)

No.	Question	Answer	Further Information
24.	What are the conditions to the Offer?	<p>The Offer is subject to a number of Conditions, being:</p> <ul style="list-style-type: none"> <li>• <b>(minimum acceptance)</b> a minimum acceptance condition of 80%;</li> <li>• <b>(no Prescribed Occurrences)</b> no Prescribed Occurrences occurring;</li> <li>• <b>(BlackWall Shareholder approval)</b> Blackwall Shareholders approve the Takeover Bid and associated issue of the Offer Consideration for the purposes of ASX Listing Rules 7.1, 10.1 and 10.11;</li> <li>• <b>(WOT Member approval)</b> WOT Members approve the acquisition of Relevant Interests in WOT Securities arising in connection with the Takeover Bid pursuant item 7 of section 611 of the Corporations Act;</li> <li>• <b>(no regulatory restraints)</b> no Government Agency restraining or preventing the Offer.</li> </ul> <p>Full terms of the Conditions are set out in Appendix 2 of this Bidder's Statement. BlackWall strongly advises Pelorus Shareholders to read the terms and conditions in full.</p>	Appendix 2
25.	What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions of the Offer are not satisfied or waived by the End Date (or in the case of the Prescribed Occurrence conditions, at the end of the third Business Day after the End Date), the Offer will lapse and your acceptance will be void.	Appendix 1
26.	What happens if Pelorus declares a dividend during the Offer Period?	<p>If you continue to hold your Pelorus Shares on the record date for any Pelorus dividend, you will be entitled to receive that dividend.</p> <p>The value of the Offer Consideration will not be reduced by the amount of any Pelorus dividend which arises or accrues after the date of this Bidder's Statement.</p>	Appendix 1
27.	What are the tax implications of accepting the Offer?	<p>You should consult your tax adviser for personalised advice before deciding whether or not to accept the Offer.</p> <p>While the Takeover Bid is subject to an 80% minimum acceptance condition, BlackWall may waive this Condition. If BlackWall does not obtain 80% or more of the Pelorus Shares under the Offer and waives this condition, Pelorus Shareholders who accept the Offer and receive BlackWall Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the BlackWall Shares received in exchange for the Pelorus Shares.</p>	Section 9



No.	Question	Answer	Further Information
28.	Will you need to pay brokerage or stamp duty on acceptances?	Brokerage or stamp duty is not payable by you in respect of your acceptance.	Appendix 1
29.	Where can I obtain further information?	<p>For queries on how to accept the Offer, see the enclosed Acceptance Form or contact BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time) during the Offer Period.</p> <p>For queries in relation to your Pelorus Shareholding, please contact Pelorus (Carlos Nino) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time) during the Offer Period.</p> <p>Calls to the above numbers may be recorded. Inquiries in relation to the Offer will not be received on any other telephone numbers of BlackWall or its advisers.</p>	Appendix 1

#### **Important notice**

The information in this section is a summary only of BlackWall's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the Target's Statement that Pelorus will shortly be sending to you, before deciding whether to accept the Offer.

## 1. Why you should accept the Offer

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The BlackWall Board believes that there are a number of reasons why you as a Pelorus Shareholder should accept the Offer, namely:

1. The Independent Pelorus Director recommends you ACCEPT the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is Favourable to Pelorus Shareholders.
2. The Offer provides attractive consideration for your Pelorus Shares.
3. You will become a shareholder in a larger company and potentially benefit from greater economies of scale.
4. You will be able to trade your BlackWall Shares on ASX or hold your BlackWall Shares to benefit from any future increase in their market value.
5. You will have the opportunity to share in the potential upside of BlackWall's business.
6. BlackWall has an experienced management team.

The above table is only a headline summary of some of the benefits to Pelorus Shareholders that the BlackWall Board considers the Offer provides. Some of these benefits are explained in further detail within this section 1. In considering these benefits, Pelorus Shareholders should also bear in mind that the Offer is subject to a number of risks, which are set out in section 8.

### 1.1 The Independent Pelorus Director recommends you ACCEPT the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is Favourable to Pelorus Shareholders

The Independent Pelorus Director recommends you ACCEPT the Offer in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer is Favourable to Pelorus Shareholders.

### 1.2 The Offer provides attractive consideration for your Pelorus Shares

Based on the trading price of BlackWall Shares on ASX on the day before the Announcement Date, the Offer represents attractive consideration for Pelorus Shareholders who will each receive New BlackWall Shares.

BlackWall is offering you 1 New BlackWall Share for every 3 Pelorus Shares that you own, at an issue price of \$0.60 per New BlackWall Share.

### 1.3 You will become a shareholder in a larger company and potentially benefit from greater economies of scale.

Pelorus Shareholders who accept the Offer will be issued with New BlackWall Shares and become part of a larger and more diversified ASX-listed company that will focus on growing its investment and funds management activities.

BlackWall is in a strong financial position, with:

- (a) underlying funds from activities of over \$3 million for the last 3 years and net asset backing of around \$20 million; and

(b) a market capitalisation of approximately \$38.126 million.<sup>2 3</sup>

**1.4 You will be able to trade your BlackWall Shares on ASX or hold your BlackWall Shares to benefit from any future increase in their market value.**

Pelorus Shareholders who accept the Offer will benefit from ASX trading liquidity. This liquidity will enable Pelorus Shareholders to realise the value of their investment at a time of their choosing, which may not be possible for any Pelorus Shareholder who continues to hold Pelorus Shares as Pelorus Shares are not listed on a securities exchange and there is no active market or mechanism for achieving liquidity for Pelorus Shares.

Pelorus Shareholders may also hold their BlackWall Shares to potentially benefit from any future increase in their market value and future rights to receive dividends attaching BlackWall Shares.

**1.5 You will have the opportunity to share in the potential upside of BlackWall's business.**

By accepting BlackWall's Offer, Pelorus Shareholders will gain exposure to the potential upside from BlackWall's growth prospects, which may arise from synergies and combining resources and expertise will BlackWall and Pelorus to achieve cost savings and operational efficiencies.

Over time, the BlackWall Board believes this will have the potential to deliver further growth and upside for Pelorus Shareholders through their ownership of BlackWall Shares.

**1.6 BlackWall has an experienced management team**

The BlackWall Board believes that BlackWall is well-placed to support the Combined Group given the depth of its management team and their operational experience.

Please refer to sections 2.2 and 2.3 of this Bidder's Statement for more detail on the BlackWall Board and management team.

**1.7 Potential access to scrip for scrip rollover relief, which defers any capital gains otherwise evident on the sale of Pelorus Shares**

Given the Takeover Bid is subject to an 80% minimum acceptance condition, Pelorus Shareholders may benefit from CGT scrip for scrip rollover relief if they accept the Offer.

However, this benefit will not be available if BlackWall does not obtain 80% or more of the Pelorus Shares under the Offer and waives this condition. In such circumstances, Pelorus Shareholders who accept the Offer and receive BlackWall Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the BlackWall Shares received in exchange for the Pelorus Shares.

Please refer to section 9 of this Bidder's Statement for more information.

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<sup>2</sup> Based on 67.78 million issued BlackWall Shares and a closing share price of \$0.565 per share on based on BlackWall's closing share price on the last trading day immediately prior to the Announcement Date.

<sup>3</sup> This page contains references to trading data sourced from CommSec. CommSec has not consented to the use of the references to this trading data in this Bidder's Statement.

## **2. Information on the BlackWall Group**

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### **2.1 Overview of BlackWall**

This section 2 contains a summary of BlackWall's activities. Further information on BlackWall can be obtained from BlackWall's website: <https://BlackWall.com.au/>.

BlackWall is a fund manager with capabilities across investment, asset, development and property management.

BlackWall derives its revenue from the management, performance and transaction fees from real estate investment structures – the largest of which is the ASX listed flexible property security, WOTSO Property (ASX: WOT).

### **2.2 BlackWall Directors**

Brief profiles of the members of the BlackWall Board, as at the date of this Bidder's Statement, are as follows

#### **(a) Joseph (Seph) Glew**

*Non-Executive Director and Chairman*

Seph has worked in the commercial property industry in New Zealand, the USA and Australia and has driven large scale property development and financial structuring for real estate for over 40 years. In addition, since the early 1990s Seph has run many "turn-around" processes in relation to distressed properties and property structures for both private and institutional property owners.

While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980s he served as an Executive Director with New Zealand based property group Chase Corporation and as a Non-Executive Director with a number of other listed companies in New Zealand and Australia.

#### **(b) Timothy Brown**

*Joint Managing Director and CFO*

Tim joined the Group in 2008 as Financial Controller and became Chief Financial Officer in 2009. He took on the Managing Director role along with Jessie in late 2019. He has a Bachelor of Commerce from the University of New South Wales and is a member of the Institute of Chartered Accountants of Australia and New Zealand. With over 20 years' experience in the financial services and property industries, he started his career with Deloitte and joined Lend Lease Corporation in 2002. Tim is also on the board of Eastern Suburbs Cricket Club and Coogee Boy's Preparatory School.

#### **(c) Jessica (Jessie) Glew**

*Joint Managing Director and COO*

Jessie has a strong background in and passion for the property industry and has 15 years' experience working with distressed properties and spaces, and operating the WOT business. Jessie has a Bachelor of International Communication from Macquarie University and holds a NSW Real Estate licence.

Jessie has been a member of The Kids Cancer Project Bard since 2021 which has given her the opportunity to develop a working understanding of the charity

operation whilst making a positive impact by sharing her insights and operational knowledge gained from her extensive experience in order to support The Kids Cancer Project in its activities.

**(d) Richard Hill**

*Non-Executive Director*

Richard Hill has extensive investment banking experience and was the founding partner of the corporate advisory firm Hill Young & Associates. Richard has invested in the Group's projects since the early 1990s. Prior to forming Hill Young, Richard held a number of Senior Executive positions in Hong Kong and New York with HSBC. He was admitted as an attorney in New York State and was registered by the US Securities & Exchange Commission and the Ontario Securities Commission. Richard has served as a director (Chairman) of the Westmead Institute for Medical Research and director (Chairman) of Sirtex Medical Limited (Sirtex), formerly listed on ASX.

**(e) Robin Tedder**

*Non-Executive Director*

Robin began his career on the dealing desk of a merchant bank in 1976. In 1981 he founded Hatmax Capital Markets which grew rapidly through organic development and merger with Australian Gilt Securities in 1988, such that by the time he departed after 14 years as CEO in 1995, over 80 people were employed across debt capital markets, both the Sydney Futures Exchange and ASX, in asset management and corporate finance. In 1995 Robin established Vintage Capital which became an active investor in funds management, commercial property, retailing, healthcare and logistics. He has been an investor in the Group's projects since 1997, is a former member of ASX, and has served on various boards of both listed and private companies since 1984. He is the Chairman of the BlackWall Group's Board Audit Committee.

## **2.3 BlackWall Management Team**

Brief profiles of the BlackWall management team, as at the date of this Bidder's Statement, are as follows.

**(a) Agata Ryan**

*Head of Legal and Funds and Company Secretary*

Agata joined BlackWall in February 2023 and oversees all aspects of BlackWall's corporate and fund transactions, the corporate governance and regulatory functions and investor relations. Before joining BlackWall, Agata worked as a lawyer at Speirs Ryan and prior to that was legal counsel in the commercial property legal team at Stockland. Agata has a Bachelor of Arts, Master of Commerce and Juris Doctor degree from UNSW. She is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

**(b) Chris Williams**

*Group Financial Controller*

Chris is the Group Financial Controller for BlackWall and supports the Directors in the financial management and reporting of the Group. Chris is a member of the Chartered Accountants of Australia and New Zealand and holds a Bachelor of Business from the University of Technology, Sydney. Chris joined BlackWall in

2022 and brings over 14 years of diverse Big 4 consultancy experience across both Australia and Canada.

## 2.4 BlackWall Financial Information

The historical information below relates to BlackWall and does not reflect any impacts of the Offer. It is a summary only and the full financial statements for BlackWall for the financial periods ended as indicated below, which include the notes to the accounts, can be found in BlackWall's annual reports for those periods. Copies of those annual reports are available at <https://BlackWall.com.au/invest/>.

### (a) Consolidated statement of financial performance

	30 Jun 23 \$'000	30 Jun 22 \$'000
Management Fees	6,597	5,739
Transaction Income	352	544
Associates Loss / (Income)	(39)	72
<b>Total Revenue</b>	<b>6,910</b>	<b>6,355</b>
Operating Expenses	(4,855)	(4,435)
<b>Operating Profit</b>	<b>2,055</b>	<b>1,920</b>
Government COVID Stimulus	37	223
Investment Distribution Income	1,012	968
<b>Funds From Activities</b>	<b>3,104</b>	<b>3,111</b>
<b>Statutory Adjustments:</b>		
WOT – Return of Capital	(1,012)	(968)
Revaluation Loss	(3,209)	(237)
Finance Costs	(55)	(6)
Depreciation	(177)	(44)
<b>Statutory (Loss) / Profit Before Tax</b>	<b>(1,349)</b>	<b>1,856</b>
Income Tax Benefit / (Expense)	343	(210)
<b>Statutory (Loss) / Profit After Tax</b>	<b>(1,006)</b>	<b>1,646</b>

(b) Consolidated statement of financial position

	Notes	30 Jun 23 \$'000	Adjustments \$'000	Adjusted 30 Jun 23 \$'000
Cash and Cash Equivalents		5,788	-	5,788
Trade and Other Receivables		539	-	539
<b>Total Current Assets</b>		<b>6,327</b>	<b>-</b>	<b>6,327</b>
Financial Assets		19,266	-	19,266
Employee Loans		1,027	-	1,027
Investment Using Equity Method	1	21	479	500
Right of Use Lease Assets	2	308	(308)	-
Property, Plant and Equipment		15	-	15
Fund and Property Management Business Valuation	3	-	20,000	20,000
<b>Total Non-Current Assets</b>		<b>20,637</b>	<b>20,171</b>	<b>40,808</b>
<b>Total Assets</b>		<b>26,964</b>	<b>20,171</b>	<b>47,135</b>
Trade and Other Payables		697	-	697
Right of Use Lease Liability	2	140	(140)	-
Provision for Employee Benefits		806	-	806
Provision for Tax Payable		60	-	60
Borrowings		5,000	-	5,000
<b>Total Current Liabilities</b>		<b>6,703</b>	<b>(140)</b>	<b>6,563</b>
Deferred Tax Liabilities	4	1,710	(1,710)	-
Right of Use Lease Liability	2	189	(189)	-
Provision for Employee Benefits		106	-	106
<b>Total Non-Current Liabilities</b>		<b>2,005</b>	<b>(1,899)</b>	<b>106</b>
<b>Total Liabilities</b>		<b>8,708</b>	<b>(2,039)</b>	<b>6,669</b>
<b>Net Assets</b>		<b>18,256</b>	<b>22,210</b>	<b>40,466</b>
Shares on Issue (No.)		67,480,237		67,480,237
<b>NTA per Share</b>		<b>\$0.27</b>		<b>\$0.60</b>

**Notes:**

1. BlackWall's investment in Indigoblock Construction is measured using the equity method. This has been adjusted to reflect an estimate of fair value.
2. Effects of the leasing accounting standard have all been reversed.
3. A valuation of BlackWall's fund and property management business has been added.
4. Total net assets have been adjusted to exclude the effects of deferred taxes.

(c) **Consolidated statement of cash flows**

	<b>30 Jun 23</b>	<b>30 Jun 22</b>
	<b>\$'000</b>	<b>\$'000</b>
Management Fee Receipts and Recoveries	8,292	5,690
Net Interest Received / (Paid)	42	(4)
Government COVID Stimulus	37	223
Payments to Suppliers and Employees	(5,422)	(4,172)
Income Tax Paid	(752)	(611)
<b>Net Cash Flows from Operating Activities</b>	<b>2,197</b>	<b>1,126</b>
Returns of Capital from WOT Investment	1,012	968
Proceeds from Disposal of Investments	-	181
Dividends Received	-	90
Investments Purchased	(75)	(2,015)
Purchase of Property, Plant and Equipment	(70)	(25)
<b>Net Cash Flows from / (used in) Investing Activities</b>	<b>867</b>	<b>(801)</b>
Loans Received	5,009	-
Proceeds from Issue of Shares	8	1,311
Dividends Paid to Shareholders	(3,306)	(3,450)
Rental Payments	(153)	(153)
<b>Net Cash Flows used in Financing Activities</b>	<b>1,558</b>	<b>(2,292)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>4,622</b>	<b>(1,967)</b>
Cash and Cash Equivalents at Beginning of Year	1,166	3,133
Net Increase / (Decrease) in Cash and Cash Equivalents	4,622	(1,967)
<b>Cash and Cash Equivalents at End of Year</b>	<b>5,788</b>	<b>1,166</b>

**2.5 Publicly available information about BlackWall**

BlackWall is a listed disclosing entity for the purposes of the Corporations Act and therefore is subject to regular reporting and disclosure obligations. Specifically, as a listed company, BlackWall is subject to the ASX Listing Rules which require continuous disclosure of any information BlackWall has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The ASX maintains files containing publicly disclosed information about all listed companies. BlackWall's file is available for inspection at the ASX during normal business hours.

In addition, BlackWall is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by BlackWall may be obtained from ASIC or inspected at an ASIC office.

During the Offer Period, on request to BlackWall and free of charge, Pelorus Shareholders may obtain a copy of:

- (a) the annual financial report of BlackWall for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- (b) any continuous disclosure notice given to the ASX by BlackWall since the lodgement with ASIC of the 30 June 2023 annual report for BlackWall referred to above and before lodgement of this Bidder's Statement with ASIC.



A substantial amount of information about BlackWall is available in electronic form from:  
<https://BlackWall.com.au/>.

### 3. Information on BlackWall's securities

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#### 3.1 BlackWall's capital structure

As at the date of this Bidder's Statement, BlackWall's issued and granted securities consists of 67,480,237 BlackWall Shares and 475,000 BlackWall Options.

The consideration for the acquisition of the Pelorus Shares under the Offer will be satisfied by the issue of BlackWall Shares. Based on the number of Pelorus Shares on issue as at the date of this Bidder's Statement, the maximum number of BlackWall Shares which may need to be issued in accordance with the Offer if acceptances were received for all Pelorus Shares is approximately 103,886,050.

BlackWall the capacity to issue the maximum number of BlackWall Shares which it may be required to issue under the Offer.

#### 3.2 Recent trading of BlackWall Shares

The issue price for each New BlackWall Share under the Offer is \$0.60.

Key metrics in relation to the recent trading performance of BlackWall Shares are summarised in the table below.<sup>4</sup>

Comparative Trading Period	Price of BlackWall Shares (\$)
Lowest trading price in the 4 months prior to the Announcement Date	\$0.5050 (on 5 July 2023)
Highest trading price in the 4 months prior to the Announcement Date	\$0.6000 (on 2 August 2023)
Closing trading price on the last practicable day before Announcement Date	\$0.5650
30 day VWAP of BlackWall Shares before the Announcement Date	\$0.5620
60 day VWAP of BlackWall Shares before the Announcement Date	\$0.5610
90 day VWAP of BlackWall Shares before the Announcement Date	\$0.5703

#### 3.3 Dividend Policy

The BlackWall Board does not provide any assurance of the future level of dividends, if any, or to the extent to which they are fully franked, and there may be periods in respect of which dividends are not paid.

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<sup>4</sup> This page contains references to trading data sourced from CommSec. CommSec has not consented to the use of the references to this trading data in this Bidder's Statement.

### **3.4 Rights and liabilities attaching to BlackWall Shares**

The BlackWall Shares offered to Pelorus Shareholders under the Offer are fully paid ordinary shares in the capital of BlackWall, and from the date of their issue will rank equally with existing BlackWall Shares and will have the same rights and liabilities attaching to them. The rights and liabilities attaching to BlackWall Shares are governed by the Constitution, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

A summary of the key rights attaching to the Shares is set out below. The terms of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares. You should seek your own advice when trying to establish your rights in specific circumstances. Full details of the rights attaching to BlackWall Shares are set out in the Constitution, a copy of which is available for inspection at BlackWall's registered office during normal business hours.

The rights, privileges and restrictions attaching to BlackWall Shares can be summarised as follows:

#### **(a) BlackWall Constitution**

Under section 140(1) of the Corporations Act, the BlackWall Constitution has effect as a contract between BlackWall and each member and between a member of BlackWall and each other member. Accordingly, if you accept the Offer and receive New BlackWall Shares as consideration, you will become contractually bound to comply with the BlackWall Constitution. However, since the New BlackWall Shares that will be provided as consideration under the Offer will be issued as fully paid ordinary shares, no monetary liability attaches to them.

#### **(b) Meetings of BlackWall Shareholders and voting rights**

Subject to the provisions of the BlackWall Constitution, a BlackWall Shareholder is entitled to receive written notice of, and to attend and vote at, meetings of BlackWall Shareholders.

At a general meeting, every person present who is a BlackWall Shareholder or a proxy, attorney or representative of a BlackWall Shareholder has 1 vote on a show of hands and 1 vote on a poll for each share carrying the right to vote held by that shareholder. The chairman of the meeting is entitled to a casting vote.

#### **(c) Dividends**

Subject to the Corporations Act, the BlackWall Constitution and the rights of any person entitled to shares with special rights to dividends (of whom there are presently none), the BlackWall Board may from time to time determine that a dividend is payable to BlackWall Shareholders. Each BlackWall Share and New BlackWall Share has the same dividend rights, subject to any special rights, arrangements or restrictions attached to the shares.

#### **(d) Winding up**

If BlackWall is wound up, the liquidator may, with the sanction of a special resolution, divide the assets of BlackWall among the members of BlackWall in kind.

#### **(e) Transfer of shares**

Subject to the BlackWall Constitution and ASX Listing Rules, holders of New BlackWall Shares may transfer New BlackWall Shares as provided by the

operating rules of a clearing and settlement facility if applicable or by any other method of transfer which is required or permitted by the Corporations Act and ASX. All transfers must comply with the BlackWall Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act. The BlackWall Directors may refuse to register a transfer of shares in circumstances permitted by the ASX Listing Rules or the ASX Settlement Operating Rules. The BlackWall Directors must refuse to register a transfer of shares if required to do so by the ASX Listing Rules.

**(f) Alteration of capital**

Subject to sections 246C and 246D of the Corporations Act, a variation or cancellation of rights attached to BlackWall Shares is allowed either with the written consent of the holders of a 75% majority of the issued shares of the affected class, or the sanction of a special resolution passed at a meeting of the holders of the issued shares of the affected class. In either case, if members of the affected class do not all agree, the holders of not less than 10% of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

At present, there is 1 class of shares in BlackWall on issue, that is, the BlackWall Shares which are fully paid ordinary shares.

**(g) Amendments to the BlackWall Constitution**

Pursuant to section 136 of the Corporations Act, the BlackWall Constitution may be amended only by a special resolution passed by at least 75% of the votes cast by BlackWall Shareholders entitled to vote on the resolution. At least 28 days written notice specifying the intention to propose the resolution must be given.

### 3.5 Substantial holders of BlackWall

As at the date of this Bidder's Statement, based on the substantial holder notices lodged with BlackWall and ASX, the substantial holders of BlackWall are:

Holder	BlackWall Shares Held	% of total BlackWall Shares
Joseph (Seph) Glew	10,613,667	15.73
Paul Tresidder	8,703,155	12.90
Robin Tedder	8,518,282	12.62
Archibald Geoffrey Loudon	4,080,959	6.05
Pelorus Private Equity Limited	4,175,000	6.19
Stuart Brown	4,614,038	6.84

Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

### 3.6 Corporate governance of BlackWall

The BlackWall Directors have adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of BlackWall, having

considered the principles and best practice recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Principles and Recommendations**). As BlackWall's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

## **4. Information on Pelorus**

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### **4.1 Disclaimer**

The information on Pelorus and the Pelorus Group's business, capital structure and assets in this section 4 and elsewhere in this Bidder's Statement has been prepared by BlackWall using publicly available information and certain information provided by Pelorus to BlackWall, and should not be considered comprehensive.

Information in this Bidder's Statement concerning Pelorus and the Pelorus Group and the assets and liabilities, financial position and performance, profits and losses and prospects of the Pelorus Group has not been independently verified. Accordingly, none of BlackWall, the BlackWall Board, nor any member of the BlackWall Group or their respective officers, employees, agents or advisors, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Certain information and risks in relation to Pelorus may exist about which Pelorus is unaware. This is particularly the case as Pelorus is an unlisted public company and is therefore subject to more limited disclosure obligations than BlackWall.

For more details regarding Pelorus, you should refer to the Target's Statement, which Pelorus will send to Pelorus Shareholders as required by the Corporations Act in response to this Bidder's Statement.

### **4.2 Overview of Pelorus**

Pelorus is an unlisted public investment company. Pelorus' main asset is its holding of approximately 19% of the total WOT Securities issued in WOT. Pelorus also holds interests in other properties as well as some unlisted investments. Pelorus derives investment income.

### **4.3 Directors**

As at the date of this Bidder's Statement, the Pelorus Directors are:

- (a) Joseph (Seph) Glew;
- (b) Paul Tresidder;
- (c) Timothy Brown;
- (d) Richard Hill; and
- (e) Jessica (Jessie) Glew.

### **4.4 Structure and ownership of Pelorus**

#### **(a) Structure**

The Pelorus Group is comprised of Pelorus and the interests it holds in SAO Investments Pty Limited ACN 090 553 736, being a wholly-owned subsidiary of Pelorus.

**(b) Ownership**

As at the Register Date, the substantial holders of Pelorus were:

Holder	Pelorus Shares held	% of total Pelorus Shares
Seno Management Pty Limited <Taipa Trust>	109,725,435	35.21
Lymkeesh Pty Ltd	93,868,012	30.12
Mr Richard Hill & Mrs Evelyn Hill <Richard Hill Super Fund A/C>	28,729,438	9.22

**(c) BlackWall's Relevant Interest in Pelorus Shares**

As at the date of this Bidder's Statement, BlackWall does not have a Relevant Interest or voting power in any Pelorus Shares.

**4.5 Pelorus Financial Information**

Pelorus' last published audited financial statements are for FY23. Those statements (as extracted from Pelorus' accounts) are summarised below. These are extracts of the accounts only and do not include all information or notes required to be included. Pelorus Shareholders should refer to the full financial statements lodged with ASIC for further information.

**(a) Consolidated statement of financial performance**

	30 Jun 23 \$'000	30 Jun 22 \$'000
Distributions – WOT	1,431	925
Distributions – Other	549	288
Finance Income	61	6
Actual Realised Gains on Disposal of Assets	344	561
Other Income	4	-
<b>Total Revenue</b>	<b>2,389</b>	<b>1,780</b>
Operating Expenses	(571)	(495)
Finance Costs	(115)	(65)
<b>Funds From Activities</b>	<b>1,703</b>	<b>1,220</b>
<b>Statutory Adjustments:</b>		
WOT – Return of Capital	(1,431)	(925)
Revaluation Loss – WOT	(5,395)	(103)
Revaluation (Loss) / Gain – Other	(4,869)	937
Depreciation	(40)	-
Loss on Acquisition of Subsidiary	9,917	-
<b>Statutory (Loss) / Profit Before Tax</b>	<b>(115)</b>	<b>1,129</b>
Income Tax Benefit	3,272	108
<b>Statutory Profit After Tax</b>	<b>3,157</b>	<b>1,237</b>

(b) Consolidated statement of financial position

	Notes	30 Jun 23 \$'000	Adjustments \$'000	Adjusted 30 Jun 23 \$'000
Cash and Cash Equivalents		12	-	12
Trade and Other Receivables		138	-	138
Employee Loans		1,200	-	1,200
<b>Total Current Assets</b>		<b>1,350</b>	<b>-</b>	<b>1,350</b>
Non-Current Financial Assets	1	60,144	(750)	59,394
Investment Using Equity Method	2	22	478	500
Property, Plant and Equipment		68	-	68
<b>Total Non-Current Assets</b>		<b>60,234</b>	<b>(272)</b>	<b>59,962</b>
<b>Total Assets</b>		<b>61,584</b>	<b>(272)</b>	<b>61,312</b>
Trade and Other Payables	1	771	(750)	21
Provision for Tax Payable		62	-	62
<b>Total Current Liabilities</b>		<b>833</b>	<b>(750)</b>	<b>83</b>
Deferred Tax Liabilities	3	2,455	(2,455)	-
<b>Total Non-Current Liabilities</b>		<b>2,455</b>	<b>(2,455)</b>	<b>-</b>
<b>Total Liabilities</b>		<b>3,288</b>	<b>(3,205)</b>	<b>83</b>
<b>Net Assets</b>		<b>58,296</b>	<b>2,933</b>	<b>61,229</b>
Shares on Issue (No.)		311,657,895		311,657,895
<b>NTA per Share</b>		<b>\$0.19</b>		<b>\$0.20</b>

**Notes:**

1. Pelorus' investment in Teletrack is subject to certain option arrangements with other investors. This has been reclassified to offset against the investment.
2. Pelorus' investment in Indigoblack Construction is measured using the equity method. This has been adjusted to reflect an estimate of fair value.
3. Total net assets have been adjusted to exclude the effects of deferred taxes.



(c) **Consolidated statement of cash flows**

	<b>30 Jun 23</b>	<b>30 Jun 22</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends Received	564	210
Net Interest Received	60	6
Net Interest Paid	(115)	(65)
Payments to Suppliers and Employees	(668)	(968)
<b>Net Cash Flows used in Operating Activities</b>	<b>(159)</b>	<b>(817)</b>
Proceeds from Disposal of Investments	1,917	592
Returns of Capital from WOT Investment	1,442	925
Cash Entering Group on Acquisition of Subsidiary	7	-
Purchase of Property, Plant and Equipment	(40)	-
Investments Purchased	(434)	(1,195)
<b>Net Cash Flows from Investing Activities</b>	<b>2,892</b>	<b>322</b>
Net Loans (Paid) / Received	(2,733)	467
<b>Net Cash Flows (used in) / from Financing Activities</b>	<b>(2,733)</b>	<b>467</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>-</b>	<b>(28)</b>
Cash and Cash Equivalents at Beginning of Year	12	40
Net Decrease in Cash and Cash Equivalents	-	(28)
<b>Cash and Cash Equivalents at End of Year</b>	<b>12</b>	<b>12</b>

**4.6 Publicly available information about Pelorus**

Pelorus is an unlisted disclosing entity for the purposes of the Corporations Act and therefore is subject to certain continuous disclosure obligations. As a public company, Pelorus is also required to lodge various documents with ASIC.

Copies of documents lodged with ASIC by Pelorus may be obtained from or inspected at an ASIC office, via the ASIC website or on Pelorus' website at <https://www.pelorus.com.au/about-us.php>.

The most recent audited financial statements of Pelorus, being the audited report for the financial year ending 30 June 2023, was lodged with ASIC on 8 September 2023.

In addition, the Corporations Act requires the Pelorus Directors to provide a Target's Statement to Pelorus Shareholders, setting out certain material information regarding Pelorus.

## 5. Information on Pelorus securities

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### 5.1 Pelorus securities

As at the date of this Bidder's Statement, Pelorus' issued securities comprise 311,657,895 Pelorus Shares.

### 5.2 Dealings in Pelorus securities

#### (a) Previous 4 months

Neither BlackWall nor any associate of BlackWall has provided, or agreed to provide, consideration for Pelorus Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement (**Relevant Period**).

For the sake of completeness only, BlackWall discloses details of the following acquisition of Pelorus Shares during the Relevant Period by an entity controlled by Mr Timothy Brown (director of BlackWall). BlackWall does not consider this acquirer to be an associate of BlackWall for the purposes of Chapter 6 of the Corporations Act.

Acquirer	Date of acquisition	Pelorus Shares acquired	Consideration paid
Frolic Events Pty Limited <The Revelry Super Fund A/C>	10 March 2023	41,745	\$6,261.75

#### (b) Period before Offer

Neither BlackWall nor any associate of BlackWall has provided, or agreed to provide, consideration for Pelorus Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

### 5.3 Dividend history

Pelorus has not paid or declared any dividends in respect of the last 3 financial years.

### 5.4 No pre-Offer benefits

#### (a) Previous 4 months

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither BlackWall nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (i) accept the Offer; or
- (ii) dispose of Pelorus Shares,

and which is not offered to all holders of Pelorus Shareholders under the Offer.

**(b) Period before Offer**

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither BlackWall nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (i) accept the Offer; or
- (ii) dispose of Pelorus Shares,

and which is not offered to all holders of Pelorus Shareholders under the Offer.

## 6. Effect of the Offer on BlackWall and the profile of the Combined Group

### 6.1 Rationale for the Offer

BlackWall is committed to the growth of its business and aims to achieve this outcome through both organic growth and opportunistic acquisitions that offer synergies and the opportunity to combine resources and expertise, which will enable BlackWall to achieve cost savings and operational efficiencies.

BlackWall believes that acquiring Pelorus is consistent with its stated objectives as set out above.

### 6.2 Overview of the Combined Group

Other than as referred to elsewhere in this Bidder's Statement, the acquisition of Pelorus is not expected to have a material effect on the existing assets and operations of BlackWall.

### 6.3 Effect on capital structure of Combined Group

The actual number of BlackWall Shares on issue at completion of the Offer will depend upon the number of acceptances of the Offer. There are therefore many potential scenarios, depending on the above factors, which will result in different effects on the capital structure of BlackWall.

If the Offer is accepted by all holders of Pelorus Shares on issue as at the date of this Bidder's Statement, BlackWall would have approximately 171,366,287 fully paid ordinary shares on issue on completion of the Takeover Bid of which approximately 103,886,050 would represent Consideration Shares issued pursuant to the Offer.

The above scenarios is not the only scenario which may apply and the table below illustrates the effect of the Offer on the capital structure of the Combined Group at various acceptance levels and based on the terms of the Offer (1 BlackWall Share for every 3 Pelorus Shares).

Offer acceptance level	50%	80%	90%	100%
Consideration Shares to be issued	51,943,025	83,108,840	93,497,445	103,886,050
Total BlackWall shares on issue in Combined Group	119,423,262	150,589,077	160,977,682	171,366,287
Consideration Shares as a percentage of total BlackWall shares in Combined Group	43.49%	55.19%	58.08%	60.62%

**Note:** The table above assumes no options currently granted by BlackWall are exercised.

### 6.4 Pro forma historical consolidated financial information for the Combined Group

#### (a) Introduction and basis of preparation

The unaudited pro forma statement of financial position provided in this section 6.4 indicates the financial impact on BlackWall of BlackWall acquiring 100% of the Pelorus Shares under the Offer. The financial information is provided for illustrative

purposes only. In considering the information Pelorus Shareholders must take into account the following matters:

- (i) the carrying value of the Pelorus assets have not been subject to impairment reviews;
- (ii) the Offer Price is as stated under the terms of the Offer; and
- (iii) it is assumed that 100% ownership of Pelorus is achieved under this Offer and hence the accounts of Pelorus are fully consolidated on a line-by-line basis.

The unaudited pro forma consolidated financial information for the Combined Group has been prepared on the following basis:

- (i) The pro forma income statement of the Combined Group represents the pro forma consolidation of the income statements of BlackWall and Pelorus, adjusted using the assumptions as set out in section 6.4(d) below:
  - (A) for the BlackWall Group, this represents the statutory income statement for FY23 adjusted to reflect underlying performance; and
  - (B) for Pelorus, this represents the consolidated results from continuing operations for FY23, which has been derived from Pelorus' management accounts.
- (ii) The pro forma balance sheet of the Combined Group represents the pro forma consolidation of the balance sheets of BlackWall and Pelorus using the assumptions outlined in section 6.4(d) below:
  - (A) for the BlackWall Group, this represents the audited balance sheet as at 30 June 2023; and
  - (B) for Pelorus, this represents the consolidated balance sheet as it is expected to be as at the date of this Bidder's Statement, which has been provided to BlackWall by Pelorus.

This section 6.4 should be read in conjunction with the underlying financial information from which it is derived, the risk factors set out in section 8, the accounting policies of BlackWall and other information contained within this Bidder's Statement.

Other than the pro forma balance sheet, the pro forma financial information presented in this section includes only information that has otherwise been publicly disclosed by BlackWall and the management accounts of Pelorus.

The pro forma financial information should be considered as indicative only, as the Pelorus financial information for FY23 has been prepared on the basis of Pelorus management accounts. In particular, it should be noted that the pro forma financial information does not include the impact of any potential synergies available to the Combined Group. As disclosed elsewhere in this Bidder's Statement, the Combined Group expects to achieve benefits of scale and cost efficiencies which are expected to improve the medium-term financial performance of BlackWall, and which is not reflected in the pro forma income statement presented in this section.

(b) **Combined Group pro forma consolidated statement of financial performance for the financial year ending 30 June 2023**

	Notes	Year Ended 30 June 2023		
		BlackWall Limited \$'000	Pelorus Private Equity \$'000	Consolidated Pro-Forma \$'000
Management Fees		6,597	-	6,597
Transaction Income		352	-	352
<b>Total Revenue</b>		<b>6,949</b>	<b>-</b>	<b>6,949</b>
Operating Expenses		(4,855)	(571)	(5,426)
<b>Operating Profit</b>		<b>2,094</b>	<b>(571)</b>	<b>1,523</b>
Government COVID Stimulus		37	-	37
Investment Distributions – WOT		1,012	1,431	2,443
Investment Distributions – Other		-	614	614
Realised Gains on Disposal of Investments	1	-	344	344
<b>Funds From Activities</b>		<b>3,143</b>	<b>1,818</b>	<b>4,961</b>
<b>Statutory Adjustments:</b>				
WOT – Return of Capital		(1,012)	(1,431)	(2,443)
Revaluation Loss – WOT		(3,209)	(5,395)	(8,604)
Revaluation Loss – Other	1	(39)	(4,869)	(4,908)
Finance Costs		(55)	(115)	(170)
Depreciation		(177)	(40)	(217)
Gain on Acquisition of Subsidiary		-	9,917	9,917
<b>Statutory Loss Before Tax</b>		<b>(1,349)</b>	<b>(115)</b>	<b>(1,464)</b>
Income Tax Benefit		343	3,272	3,615
<b>Statutory Profit / (Loss) After Tax</b>		<b>(1,006)</b>	<b>3,157</b>	<b>2,151</b>

**Notes:**

1. Funds from activities have been adjusted to include actual cash realised gains during the year.

(c) **Combined Group pro forma consolidated statement of financial position as at 30 June 2023**

As at 30 June 2023				
Notes	BlackWall Limited \$'000	Pelorus Private Equity \$'000	Adjustments \$'000	Consolidated Pro-Forma \$'000
Cash and Cash Equivalents	5,788	12	-	5,800
Trade and Other Receivables	539	138	-	677
<b>Total Current Assets</b>	<b>6,327</b>	<b>150</b>	<b>-</b>	<b>6,477</b>
Non-Current Financial Assets	1 19,266	60,144	(750)	78,660
Employee Loans	1,027	1,200	-	2,227
Investments Using Equity Method	2 21	22	957	1,000
Right of Use Lease Assets	3 308	-	(308)	-
Property, Plant and Equipment	15	68	-	83
Fund and Property Management Business Valuation	4 -	-	20,000	20,000
<b>Total Non-Current Assets</b>	<b>20,637</b>	<b>61,434</b>	<b>19,899</b>	<b>101,970</b>
<b>Total Assets</b>	<b>26,964</b>	<b>61,584</b>	<b>19,899</b>	<b>108,447</b>
Trade and Other Payables	1 697	771	(750)	718
Right of Use Lease Liability	3 140	-	(140)	-
Provision for Employee Benefits	806	-	-	806
Provision for Tax Payable	60	62	-	122
Borrowings	5,000	-	-	5,000
<b>Total Current Liabilities</b>	<b>6,703</b>	<b>833</b>	<b>(890)</b>	<b>6,646</b>
Deferred Tax Liabilities	5 1,710	2,455	(4,165)	-
Right of Use Lease Liability	3 189	-	(189)	-
Provision for Employee Benefits	106	-	-	106
<b>Total Non-Current Liabilities</b>	<b>2,005</b>	<b>2,455</b>	<b>(4,354)</b>	<b>106</b>
<b>Total Liabilities</b>	<b>8,708</b>	<b>3,288</b>	<b>(5,244)</b>	<b>6,752</b>
<b>Net Assets</b>	<b>18,256</b>	<b>58,296</b>	<b>25,143</b>	<b>101,695</b>
Expected Shares on Issue (No.)				171,366,287
<b>NTA per Share</b>				<b>\$0.59</b>

**Notes:**

1. Pelorus' investment in Teletrack is subject to certain option arrangements with other investors. This has been reclassified to offset against the investment.

2. BlackWall's and Pelorus' investments in Indigoblack Construction are measured using the equity method. This has been adjusted to reflect an estimate of fair value.
3. Effects of the leasing accounting standard have all been reversed.
4. A valuation of BlackWall's fund and property management business has been added.
5. Total net assets have been adjusted to exclude the effects of deferred taxes.

**(d) Pro forma adjustments and assumptions**

**(i) Pro forma statement of financial performance**

- (A) **Adjustments:** The pro forma statement of financial performance includes the following adjustments:
- (I) Realised gains on disposals have been adjusted to reflect the actual capital gain realised over the life of the investment.
- (B) **Assumptions:** The pro forma statement of financial in accordance with Australian Accounting Standards with the exception of the adjustment outlined in Part A above.

**(ii) Pro forma statement of financial position**

- (A) **Adjustments:** The pro forma statement of financial position includes the following adjustments:
- (I) Effects of the leasing accounting standard have been reversed.
  - (II) A valuation of BlackWall Limited's fund and property management business has been added.
  - (III) Net assets have been presented excluding the effect of deferred taxes.
  - (IV) Investments in associates, which ordinarily are accounted for using the equity method, have been adjusted to reflect their fair value.
- (B) **Assumptions:** The pro forma statement of financial position has been prepared on the basis of the following assumptions:
- (I) The pro-forma statement of financial position has been prepared in accordance with Australian Accounting Standards with the exception of the adjustments outlined in Part A above.
  - (II) Valuation of BlackWall Limited's fund and property management business - \$20 million.
  - (III) Fair value of Indigoblack Constructions Pty Ltd - \$2 million.
  - (IV) NTA of Alerik Unit Trust - \$8.12/unit.
  - (V) NTA of Mosman Unit Trust - \$61.02/unit.
  - (VI) NTA of Pyrmont Bridge Property Ltd - \$0.60/unit.
  - (VII) NTA of Pyrmont Road Mortgage Fund - \$1.00/unit.



- (VIII) NTA of Pymont Bridge Road Convertible Notes - \$1.00/unit.
- (IX) ASX value of WOTSO Property - \$1.14/security.
- (X) ASX value of BlackWall Limited - \$0.54/share.

**(e) Pelorus financial information**

In preparing pro forma financial information on the Combined Group, financial information regarding Pelorus was required. For the purposes of this Bidder's Statement, that information has been prepared based on management accounts and information provided to BlackWall by Pelorus.

BlackWall does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information. Pelorus may release updated financial information in any target's statement which is sent to Pelorus Shareholders.

## **7. BlackWall's intentions in relation to Pelorus**

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### **7.1 Introduction**

This section sets out BlackWall's intentions in relation to:

- (a) the continuation of the business of Pelorus;
- (b) any major changes to the business of Pelorus and any redeployment of the fixed assets of Pelorus;
- (c) the compulsory acquisition of Pelorus;
- (d) any major changes to the board of Pelorus; and
- (e) any impact on employees of Pelorus.

BlackWall's overall intention is to drive long-term value creation by adopting an active engagement model, commensurate with the size of any shareholding in Pelorus that BlackWall acquires.

The intentions of BlackWall have been formed on the basis of publicly available facts and information known about Pelorus and the general business environment that is known to BlackWall as at the date of preparation of this Bidder's Statement. Final decisions regarding these matters will only be reached by BlackWall in light of material information, facts and circumstances at the relevant time. Accordingly, the statements set out in this section 7 are statements of current intention only and may vary as new information becomes available or circumstances change. The statements in this section should be read in this context.

### **7.2 Intentions for Pelorus as a wholly-owned controlled entity**

This section 7.2 describes BlackWall's intentions if BlackWall acquires a Relevant Interest in 90% or more of the Pelorus Shares, with the result that BlackWall becomes entitled to proceed to compulsory acquisition of outstanding Pelorus Shares in accordance with Part 6A.1 of the Corporations Act.

#### **(a) Corporate actions**

BlackWall intends to proceed with compulsory acquisition of the outstanding Pelorus Shares in accordance with the provisions of Part 6A.1 of the Corporations Act.

#### **(b) Business operations**

As at the date of this Bidder's Statement, BlackWall intends to continue operating Pelorus' business following the end of the Offer Period in the manner presently conducted and BlackWall has not otherwise formed any intentions regarding implementing any major changes to Pelorus' business.

#### **(c) Impact on employees**

Notwithstanding that the implementation of the Takeover Bid may result in certain operational functions, for example, some head office functions becoming redundant, the incidence, extent and timing of such job losses cannot be predicted in advance. Given that Pelorus does not employ any employees as at the date of this Bidder's Statement, the Takeover Bid will not have any impact on employees of Pelorus.

Where possible, BlackWall will seek to minimise job losses through redeployment of the relevant employees in the Combined Group. If redundancies do occur in BlackWall, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

### **7.3 Intentions for Pelorus as a part owned controlled entity**

This section 7.3 describes BlackWall's intentions if Pelorus becomes a controlled entity of BlackWall, but BlackWall is not entitled to proceed to compulsory acquisition of outstanding Pelorus Shares in accordance with Part 6A.1 of the Corporations Act.

#### **(a) Corporate actions if Relevant Interests are less than 90% but more than 80% of Pelorus**

If BlackWall and its Associates have Relevant Interests in less than 90% but more than 80% of Pelorus, BlackWall may:

- (i) acquire further Pelorus Shares at some later time in a manner consistent with the Corporations Act (for example as a result of acquisitions of Pelorus Shares in reliance on the '3% creep' exception in item 9, or the "rights issues" exception in item 10 of section 611 of the Corporations Act (including as underwriter or sub-underwriter, if the circumstances surrounding the rights issue is appropriate or it is commercially necessary for Pelorus that BlackWall acts in such a capacity)); and
- (ii) even if BlackWall is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period, it may subsequently become entitled to exercise those rights and, in the event such rights of compulsory acquisition arise, BlackWall intends to exercise those rights.

The ability of BlackWall to implement the intentions set out in this section 7.3 is subject to the legal obligations of the Directors of Pelorus in relation to the interests of Pelorus and all Pelorus Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. BlackWall will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

#### **(b) Corporate actions if Relevant Interests are less than 80% but more than 50.1% of Pelorus**

BlackWall reserves its right to declare the Offer free from the 80% minimum acceptance condition (or any other condition) to the Offer. However, it has made no decision as to whether it will do so.

This section 7.3(b) describes BlackWall's intentions if BlackWall were to declare the Offer free of the 80% minimum acceptance condition.

If BlackWall and its Associates have Relevant Interests in less than 80% but more than 50.1% of Pelorus, BlackWall may:

- (i) acquire further Pelorus Shares at some later time in a manner consistent with the Corporations Act (for example as a result of acquisitions of Pelorus Shares in reliance on the "3% creep" exception in item 9, or the "rights issues" exception in item 10 of section 611 of the Corporations Act (including as underwriter or sub-underwriter, if the circumstances surrounding the rights issue is appropriate or it is commercially necessary for Pelorus that BlackWall acts in such a capacity)); and
- (ii) even if BlackWall is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period, it may subsequently

become entitled to exercise those rights. In the event such rights of compulsory acquisition arise, BlackWall intends to exercise those rights.

The ability of BlackWall to implement the intentions set out in this section 7.3 is subject to the legal obligations of the Directors of Pelorus in relation to the interests of Pelorus and all Pelorus Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. BlackWall will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

#### **7.4 Other intentions**

Subject to the matters described above in this section 7 and elsewhere in this Bidder's Statement, it is the intention of BlackWall, on the basis of the facts and information concerning Pelorus that are known to it and the existing circumstances affecting the assets and operations of Pelorus at the date of this Bidder's Statement, that:

- (a) the business of Pelorus will be conducted in the same manner as at the date of this Bidder's Statement;
- (b) there will be no redeployment of the fixed assets of Pelorus; and
- (c) there will be no redeployment of Pelorus employees given Pelorus does not presently employ any employees as at the date of this Bidder's Statement.

#### **7.5 Limitation on intentions**

The ability of BlackWall to implement the intentions set out in this section 7, will be subject to the legal obligations of Directors of BlackWall to have regard to the interests of Pelorus and all Pelorus Shareholders, and the requirements of the Corporations Act, including without limitation, in relation to transactions between related parties.

## **8. Risk factors**

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### **8.1 Introduction**

If the Offer becomes unconditional, Pelorus Shareholders who accept the Offer will become BlackWall Shareholders. In that event, BlackWall will acquire an interest in Pelorus and BlackWall Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Pelorus' assets and general economic, share market and industry risks. There are also additional risks relating to BlackWall and the Combined Group, to which Pelorus Shareholders will be exposed through their holding of BlackWall Shares.

The value of BlackWall Shares is influenced by a range of factors, many of which are beyond the control of the Combined Group. These risk factors are divided into:

- (a) risks that are specific to BlackWall;
- (b) risks that are specific to Pelorus;
- (c) risks specific to the industry that BlackWall and Pelorus operate in; and
- (d) specific risks relating to the Offer that may affect BlackWall and the creation of the Combined Group;
- (e) other general risks.

You should carefully consider the following risk factors, as well as the other information provided by BlackWall, and consult your financial and legal advisers before making a decision as to whether to accept the Offer.

The risks and uncertainties described below are not the only ones facing BlackWall. Additional risks and uncertainties that BlackWall is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect BlackWall's operating and financial performance.

These risk factors do not take into account the investment objectives, financial and tax situation, or the particular needs, of individual Pelorus Shareholders.

### **8.2 Specific risks relevant to BlackWall and the industry it operates in**

Set out below are the key risks specific to an investment in BlackWall and the industry that BlackWall and Pelorus operate in.

#### **(a) Market volatility**

Property markets can be subject to fluctuations, which can impact the performance of property investments. Economic downturns, changing interest rates as well as local and global market conditions can create challenges in achieving desired returns.

#### **(b) Dependency on external factors**

BlackWall is affected by external factors such as property market conditions, government regulations and financing availability. Changes in these factors, such as stricter regulations or limited credit availability, can affect operations and performance.

#### **(c) Valuation challenges**

Property valuations are subjective and influenced by market conditions and individual appraisals.

### **8.3 Specific risks relevant to Pelorus**

BlackWall has undertaken limited financial, operational, business and other analysis in respect of Pelorus in order to determine its attractiveness to BlackWall and whether to pursue the Offer. There is therefore a possibility that risks may exist in relation to Pelorus (which will affect the Combined Group) of which BlackWall may be unaware, including latent, future or otherwise unknown claims or liabilities.

### **8.4 Specific risks that may affect BlackWall and the Combined Group**

#### **(a) Issue of BlackWall Shares as consideration**

Pelorus Shareholders are being offered a specified number of BlackWall Shares (1 BlackWall Share for every 1 Pelorus Shares), rather than a number of BlackWall Shares with a specified market value. As a result, the value of the Offer will fluctuate depending upon the market value of the BlackWall Shares.

The market value of the BlackWall Shares issued under the Offer will depend on the trading price of those shares. There is no guarantee that the trading price of BlackWall Shares will increase in the future, or that the trading price in the future will be the same as the current trading prices of BlackWall Shares. The market value of BlackWall Shares may vary from their market value on the date that Pelorus Shareholders accept the Offer.

BlackWall Shares issued under the Offer as consideration for the acquisition of Pelorus Shares held by Ineligible Foreign Shareholders (who accept the Offer) will be sold on-market by the ASIC-approved Nominee in accordance with the procedure set out in section 7. Therefore this process may adversely impact the price of BlackWall Shares. Further, in relation to those Ineligible Foreign Shareholders who accept the Offer, there is no guarantee that the value the Nominee obtains for the BlackWall Shares under the sale facility will be the same as (or better than) the market price of BlackWall Shares as at the date of this Bidder's Statement.

There is also a risk that Pelorus Shareholders who elect to participate in the Offer may wish to sell their BlackWall Shares shortly after receipt. This may also adversely impact the price of BlackWall Shares.

#### **(b) Integration risks**

There are risks that any integration between the businesses of BlackWall and Pelorus may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include inability to achieve synergy benefits and cost savings. Integration cost that are higher than expected could have a material adverse effect on BlackWall and the Combined Group.

#### **(c) Accounting**

BlackWall will be required to perform a fair value assessment of all of Pelorus' assets and liabilities if the Offer is successful. This assessment may result in increased non-cash depreciation and amortisation charges. There is a risk that these charges may be substantially greater than those that would exist in BlackWall and Pelorus as separate businesses. This may reduce the future earnings of the Combined Group.

**(d) Change in risk and investment profile**

Pelorus Shareholders who accept the Offer will be exposed to risk factors relating to BlackWall, and to certain additional risks relating to the Combined Group and the integration of the two companies.

**(e) Acquisition risk**

BlackWall may also review and consider other business opportunities. Consequently, this strategy may result in BlackWall making acquisitions of, or investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions that are not identified in BlackWall's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from BlackWall's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward.

**(f) Risks associated with BlackWall holding less than 100% of the Pelorus Shares**

If, in connection with or following the Offer, BlackWall ultimately acquires less than 90% of the Pelorus Shares, BlackWall and its shareholders will be exposed to a non-wholly owned interest in Pelorus. As a result, BlackWall's ability to obtain the benefits of its interest in Pelorus will necessarily be limited by its ownership exposure. BlackWall's ability to effect its intentions with respect to Pelorus will also be subject to the legal obligations of nominee Directors to have regard to the interests of all Pelorus Shareholders, and the requirements of the Corporations Act, including without limitation, in relation to transactions between related parties.

**(g) Risks associated with retention of a minority stake**

There are some risks associated with the Offer for Pelorus Shareholders who do not accept the Offer and remain Pelorus Shareholders. If, in connection with or following the Offer, BlackWall acquires between 90% and 100% of the Pelorus Shares, BlackWall may be entitled to compulsorily acquire the remaining shares of the Pelorus Shareholders.

While the Offer is subject to an 80% minimum acceptance condition, BlackWall reserves its right to declare the Offer free from the 80% minimum acceptance condition (or any other condition) to the Offer. However, it has made no decision as to whether it will do so.

If, in connection with the Offer and whether BlackWall waives the 80% minimum acceptance condition, BlackWall acquires more than 50.1% but less than 90% of the Pelorus Shares, BlackWall will hold a controlling interest in Pelorus. The remaining Pelorus Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in Pelorus Shares than that exists today, which could result in a lower price for those Pelorus Shares should they wish to sell them in future. Trading liquidity could also be reduced in the event BlackWall possesses the necessary voting power to pass a special resolution to delist Pelorus.

If, following the End Date, BlackWall waives the 80% minimum acceptance condition and does not acquire a Relevant Interest of at least 50.1% of the Pelorus Shares, BlackWall will hold a non-controlling interest in Pelorus. If this occurred, it is possible that BlackWall and another person or persons could each hold large minority interests in Pelorus. In such a situation, any commercial misalignment

between large minority Pelorus Shareholders could impact on the efficient and effective governance of Pelorus and could adversely affect its ongoing performance.

**(h) Capital requirement risks**

The Combined Group's capital requirements will depend on a number of factors. BlackWall expects the Combined Group will have sufficient funding in relation to its existing operations (based on existing estimates of funding requirements). Funding requirements may change in the future depending on multiple factors.

**(i) Potential unavailability of CGT scrip for scrip rollover relief**

While the Takeover Bid is subject to an 80% minimum acceptance condition, BlackWall may waive this Condition. If BlackWall does not obtain 80% or more of the Pelorus Shares under the Offer and waives this Condition, Pelorus Shareholders who accept the Offer and receive BlackWall Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the BlackWall Shares received in exchange for the Pelorus Shares.

**8.5 General risks**

**(a) The future price of BlackWall Shares is subject to the uncertainty of equity market conditions**

There are general risks associated with an investment in the share market. Such risks may affect the value of BlackWall Shares. The value of BlackWall Shares may rise or fall depending on the financial position, operating performance and dividends of BlackWall.

Further, broader market factors affecting the price of shares are unpredictable and may be unrelated or disproportionate to the financial performance of BlackWall. Such factors may include the rate of inflation, changes in interest rates, the economic conditions in Australia and overseas, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other government policies, changes in laws, global political and economic stability, interest and inflation rates and foreign exchange rates.

**(b) Forward looking statements**

Forward looking statements, opinions, estimates and projections are dependent on various factors, many of which are outside of the control of BlackWall. There is a risk that assumptions and contingencies upon which forward statements, opinions, estimates and projections are based may differ from what may actually result. This could impact upon the value of BlackWall Shares.

**(c) Economic environment**

Economic conditions in Australia and globally will affect the business and financial condition of BlackWall. Any protracted slowdown in, or adverse changes to, economic conditions, such as the level of inflation, interest rates, exchange rates, consumer confidence, government policy (including fiscal, monetary and regulatory policies) and employment rates, among others, are outside the control of BlackWall and may result in materially adverse impacts on BlackWall.

**(d) Tax risks**

Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts and taxation authorities in Australia, may affect tax treatment of an investment in BlackWall Shares, or holding or disposal of those



BlackWall Shares. Further changes in taxation law, or the way in which BlackWall operates, may impact significantly on BlackWall's tax liabilities.

#### **8.6 Risks not exhaustive**

The risks set out in this section 8 are not exhaustive of all the risks faced or that may be faced by Pelorus Shareholders. Accordingly, no assurances or guarantees of future performance or profitability are given by BlackWall or any of its officers or employees.

## 9. Tax considerations

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This section 9 contains a general description of the Australian income tax (including CGT) and GST consequences for Pelorus Shareholders who either accept the Offer and dispose of their Pelorus Shares to BlackWall, or whose Pelorus Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act.

This section 9 deals only with Australian-resident Pelorus Shareholders who hold their Pelorus Shares on capital account for income tax purposes. It does not deal with Pelorus Shareholders who:

- (a) are tax residents of a country other than Australia;
- (b) hold their Pelorus Shares for the purpose of speculation or a business of dealing in securities (eg as trading stock or revenue assets);
- (c) acquired their Pelorus Shares pursuant to an employee share, option or rights plan;
- (d) are taken for CGT purposes to have acquired their Pelorus Shares before 20 September 1985; or
- (e) are subject to the taxation of financial arrangement rules in Division 230 of the Tax Act in relation to gains and losses on their Pelorus Shares.

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

The information in this section 9 is based upon the Australian law and administrative practice in effect as at the date of this Bidder's Statement, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Pelorus Shareholder. Pelorus Shareholders should seek independent professional advice in relation to their own particular circumstances.

### 9.1 Australian-resident Pelorus Shareholders

#### (a) Pelorus Shareholders who accept the Offer

If the Offer becomes unconditional, acceptance of the Offer by a Pelorus Shareholder will involve the disposal of their Pelorus Shares to BlackWall. This change of ownership of Pelorus Shares will constitute a CGT event for Australian income tax purposes. The date of disposal for CGT purposes should be the date the contract to dispose of the Pelorus Shares is formed.

#### (b) Compulsory acquisition

If a Pelorus Shareholder does not dispose of their Pelorus Shares under the Offer and their Pelorus Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Pelorus Shareholders will also be treated as having disposed of their Pelorus Shares for CGT purposes.

In this case, the date of the CGT event will be the date when the Pelorus Shareholder ceases to be the owner of the Pelorus Shares.

**(c) CGT**

**(i) Calculation of capital gain or capital loss (apart from scrip for scrip rollover relief)**

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

**(ii) Cost base**

The cost base of the Pelorus Shares generally includes the purchase price paid for the shares and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the Pelorus Shares is usually determined in a similar but not identical manner.

**(iii) Capital proceeds**

The capital proceeds for the disposal of Pelorus Shares should be equal to the Offer consideration receivable by the Pelorus Shareholder. The capital proceeds should be equal to the market value of the BlackWall Shares received by the Pelorus Shareholder, determined as at the time of the CGT event.

**(iv) CGT discount**

Individuals, complying superannuation entities or trustees of trusts that have held their Pelorus Shares for at least 12 months before the CGT event may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Pelorus Shares. The discount is 50% in the case of individuals and trusts or 33⅓% for complying superannuation entities. For trusts, the ultimate availability of the discount for a beneficiary of the trust will depend on the particular circumstances of the beneficiary. Pelorus Shareholders should seek specific advice on the availability of the CGT discount in their own circumstances.

**(v) Net capital gains or losses**

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain or net capital loss. Any net capital gain (after discount) is included in assessable income and therefore is potentially subject to income tax at the taxpayer's relevant marginal tax rate.

Net capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

**(vi) Scrip for scrip rollover**

While the Takeover Bid is subject to an 80% minimum acceptance condition, BlackWall may waive this Condition. Scrip for scrip rollover should be available if BlackWall acquires at least 80% of the Pelorus Shares under the Offer. If, and to the extent that scrip for scrip rollover is available and chosen, then the capital gain that would otherwise arise will

be deferred until a later CGT event occurs, such as the subsequent disposal of the shares acquired under the Offer.

In order to choose scrip-for-scrip rollover relief, Pelorus Shareholders must make an election prior to lodging their income tax return for the income year in which the CGT event occurs. BlackWall will not make a choice under section 124-795(4) of the Tax Act to deny scrip for scrip rollover relief (where it would otherwise be available).

Scrip for scrip rollover relief is not available if a capital loss arises on the exchange of the Pelorus Shares.

If BlackWall does not obtain 80% or more of the Pelorus Shares under the Offer and waives the 80% minimum acceptance condition, Pelorus Shareholders who accept the Offer and receive BlackWall Shares may have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the BlackWall Shares received in exchange for the Pelorus Shares.

**(d) Implications of holding BlackWall Shares**

As a consequence of accepting the Offer, a Pelorus Shareholder will become a shareholder of BlackWall. Dividends (and any attached franking credits) received by an Australian-resident BlackWall Shareholder would generally be required to be included in the assessable income of such a shareholder. The franking credits attached to the dividend may be available as a benefit to the shareholder under the imputation regime.

**(e) CGT on subsequent disposal of BlackWall Shares**

A subsequent disposal of BlackWall Shares will generally result in Australian CGT implications as described above. These will differ depending upon whether or not scrip for scrip rollover relief was claimed in relation to the disposal of Pelorus Shares pursuant to the Offer.

**(i) Where scrip for scrip rollover not claimed or available**

Where scrip for scrip rollover relief was not claimed or was not available in relation to the disposal of the Pelorus Shares, the cost base of the BlackWall Shares (spread equally over those BlackWall Shares) would include the market value of the Pelorus Shares disposed of in exchange for them. Where the Offer was accepted, this market value should be determined as at the time of the CGT event for disposal of the Pelorus Shares (see section 9.1(a) above). Where the Pelorus Shares were compulsorily acquired, this market value should be determined as at the date the BlackWall Shares were issued.

**(ii) Where scrip for scrip rollover available**

Where a Pelorus Shareholder chooses scrip for scrip rollover, the cost base (and reduced cost base) of the BlackWall Shares will reflect proportionally the cost base (and reduced cost base) that the Pelorus Shareholder had in their Pelorus Shares that are disposed of in exchange for the BlackWall Shares.

The cost base and reduced cost base of the BlackWall Shares may subsequently change, for example where incidental costs are incurred to sell the BlackWall Shares.

A Pelorus Shareholder will be taken to have acquired the BlackWall Shares at the time the Pelorus Shares exchanged for them were originally acquired for CGT purposes.

## **9.2 GST**

Pelorus Shareholders should not be liable to GST in respect of the disposal of their Pelorus Shares or the acquisition of BlackWall Shares under the Offer.

Pelorus Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Offer) that relate to the Offer. Pelorus Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, depending on their particular circumstances.

## **9.3 Stamp duty**

Pelorus Shareholders should not be liable to stamp duty in respect of the disposal of their Pelorus Shares or the acquisition of BlackWall Shares under the Offer.

## 10. Additional Information

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### 10.1 BlackWall as a disclosing entity

Due to the fact that BlackWall is offering BlackWall Shares as consideration for the acquisition of Pelorus Shares under the Offer, the Corporations Act requires that this Bidder's Statement include all information that would be required for a prospectus for an offer of BlackWall Shares under sections 710 to 713 of the Corporations Act.

Neither BlackWall nor Pelorus need to issue a prospectus for the Offer of the BlackWall Shares as the Offer is occurring under a takeover bid.

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

BlackWall Shares have been quoted on the official list of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, BlackWall is only required to disclose information in this Bidder's Statement that would usually be required where BlackWall Shares have been continuously quoted securities.

In general terms where BlackWall Shares are continuously quoted securities this Bidder's Statement is only required to contain information in relation to the effect of the Offer on BlackWall and the rights and liabilities attaching to the BlackWall Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the BlackWall Shares.

Having made such enquiries as are reasonable, BlackWall believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required BlackWall to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules or this Bidder's Statement that Pelorus Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of BlackWall; and
- (b) the rights and liabilities attaching to the BlackWall Shares to be issued pursuant to the Offer.

Information that is already in the public domain has not been reported in this Bidder's Statement, other than that which is considered necessary to make this Bidder's Statement complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to BlackWall (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the date the Offer Period closes:
  - (i) the annual financial report most recently lodged by BlackWall with ASIC;
  - (ii) any half year financial report lodged with ASIC by BlackWall after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Bidder's Statement with ASIC; and
  - (iii) any documents used to notify ASX of information relating to BlackWall during that period in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act.

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

ASX maintains files containing publicly disclosed information about all listed companies. BlackWall's file is available for inspection at ASX during normal business hours.

BlackWall lodges all required financial reports and continuous disclosure notices, copies of which are lodged with ASIC and ASX and can be accessed via <https://www2.asx.com.au/markets/company/BWF>.

## **10.2 Status of defeating conditions**

The Offer is subject to a number of conditions set out in Appendix 2. BlackWall will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

BlackWall is not aware of any events or circumstances which would result in the non-fulfilment of any of the conditions set out in Appendix 2.

## **10.3 Date for determining holders of Pelorus Shares**

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

## **10.4 Consents**

### **(a) Persons giving consents**

Each of the parties in the table below:

- (i) has given written consent, and not withdrawn such consent before the lodgement of this Bidder's Statement with ASIC, to being named in this Bidder's Statement in the form and context in which they are named;
- (ii) has not authorised or caused the issue of the Bidder's Statement;

- (iii) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than those statements which have been included with the express consent of that person; and
- (iv) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Bidder's Statement other than the references to its name and any statements which have been included with the express consent of that person.

Consenting party	Role
Gadens	Legal adviser
PricewaterhouseCoopers	Tax adviser

**(b) Documents lodged with ASIC or given to the ASX**

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the Offer Period, please contact BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time). Telephone calls to this number may be recorded.

Neither ASIC, nor the ASX, nor their respective officers, take any responsibility for the content of this Bidder's Statement.

**(c) Official statements**

As permitted by Corporations Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements:

- (i) which fairly represent what purports to be a statement by an official person; or
- (ii) which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (iii) which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains trading data sourced from CommSec provided without its consent.

**10.5 No pre-offer benefit**

During the period of 4 months before the date of this Bidder's Statement, and the period from the date of this Bidder's Statement to the date before the date of the Offer, neither BlackWall nor any Associate of BlackWall gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or



(b) dispose of Pelorus Shares,

and which is not offered to all holders of Pelorus Shares under the Offer.

#### **10.6 No escalation agreements**

Neither BlackWall nor any of its Associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

#### **10.7 Broker commission**

As at the date of this Bidder's Statement, BlackWall has not made a decision as to whether to offer to pay a commission to brokers who solicit acceptances of the Offer by a Pelorus Shareholder. However, BlackWall reserves the right to introduce such an arrangement.

#### **10.8 BlackWall's financial position**

The information in this Bidder's Statement relating to BlackWall's financial position is extracted from:

- (a) BlackWall's Annual Report for the year ended 30 June 2023 (**FY23 Annual Report**) and is available to view on: <https://BlackWall.com.au/invest/>; and
- (b) BlackWall's Annual Report for the year ended 30 June 2022 (**FY22 Annual Report**) and is available to view on: <https://BlackWall.com.au/invest/>.

BlackWall is not aware of any new information or data that materially affects the information included in BlackWall's FY23 Annual Report or its FY22 Annual Report.

#### **10.9 Ineligible Foreign Shareholders**

Ineligible Foreign Shareholders who accept the Offer will not be entitled to receive BlackWall Shares as consideration for their Pelorus Shares, unless BlackWall otherwise determines.

A Pelorus Shareholder is an Ineligible Foreign Shareholder if their address as shown in the register of members of Pelorus is in a jurisdiction other than Australia and its external territories and New Zealand.

However, such a person will not be an Ineligible Foreign Shareholder if BlackWall is satisfied that it is not legally or practically constrained from making the Offer to a Pelorus Shareholder in the relevant jurisdiction and to issue BlackWall Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, BlackWall is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The BlackWall Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Nominee, who will sell these BlackWall Shares on the ASX. The net proceeds of the sale of such BlackWall Shares will then be remitted to the relevant Ineligible Foreign Shareholders. Refer to section 7 of this Bidder's Statement for further details.

#### **10.10 Social security and superannuation implications of Offer**

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

#### 10.11 Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed Director of BlackWall;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of BlackWall;

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (d) the formation or promotion of BlackWall;
- (e) property acquired or proposed to be acquired by BlackWall in connection with its formation or promotion, or the offer of BlackWall Shares under the Offer; or
- (f) the offer of BlackWall Shares under the Offer.

#### 10.12 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a Director or proposed Director of BlackWall to induce him or her to become, or to qualify as, a Director of BlackWall; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of BlackWall or the offer of BlackWall Shares under the Offer.

The Directors of BlackWall are paid fees as described in BlackWall's annual report for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC) available at <https://BlackWall.com.au/invest/>.

The persons named in this Bidder's Statement as performing a function in a professional or advisory capacity in connection with the Offer and with the preparation of the Bidder's Statement on behalf of BlackWall are Gadens as Australian legal adviser and PricewaterhouseCoopers as taxation adviser.

#### 10.13 Disclosure of interests and benefits

##### (a) Interests of the BlackWall Board

##### (i) Interests in Pelorus Shares

As at the date of this Bidder's Statement, the Directors of BlackWall have the following beneficial interests in Pelorus Shares.

BlackWall Director	Pelorus Shares held	Pelorus Shares held directly
Joseph (Seph) Glew	128,081,497	Nil
Timothy Brown	759,894	Nil

BlackWall Director	Pelorus Shares held	Pelorus Shares held directly
Jessica (Jessie) Glew	Nil	Nil
Richard Hill	36,270,256	Nil
Robin Tedder	Nil	Nil

**Note:** Pelorus Shares held indirectly are included in the column headed 'Pelorus Shares held'. Indirectly held Pelorus Shares are those held indirectly by the BlackWall Directors' related parties, inclusive of domestic partners, dependants and entities controlled, jointly controlled or significantly influenced by the BlackWall Director.

**(ii) Indemnity and insurance**

The BlackWall Constitution permits the grant of an indemnity (to the maximum extent permitted by law) in favour of any current or former BlackWall Director or company secretary of BlackWall. BlackWall has entered into deeds of indemnity and access with all current directors. This indemnity is against liability to third parties by such officers unless excluded by law. The indemnity also covers costs or expenses incurred by an officer in defence proceedings relating to that person's position. BlackWall also maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity.

**(iii) Interests in BlackWall Shares**

As at the date of this Bidder's Statement, the Directors of BlackWall have the following beneficial interests in BlackWall Shares.

BlackWall Director	BlackWall Shares held	BlackWall Shares held indirectly
Joseph (Seph) Glew	10,613,667	10,613,667
Timothy Brown	2,960,000	2,960,000
Jessica (Jessie) Glew	2,059,636	1,521,736
Richard Hill	1,969,278	1,937,278
Robin Tedder	8,518,282	8,518,282

**Note:** BlackWall Shares held nominally are included in the column headed 'BlackWall Shares held'. Indirectly held BlackWall Shares are those held indirectly by the BlackWall Directors' related parties, inclusive of domestic partners, dependants and entities controlled, jointly controlled or significantly influenced by the BlackWall Director.

For the BlackWall Directors, total BlackWall Shares held directly and nominally also represented the Relevant Interest in BlackWall Shares, as notified by the BlackWall Directors to ASX in accordance with section 205G(1) of the Corporations Act, at the date of this Bidder's Statement.

**(iv) Interests in BlackWall Options**

As at the date of this Bidder's Statement, the Directors of BlackWall hold the following BlackWall Options.

BlackWall Director	BlackWall Options held
Joseph (Seph) Glew	Nil
Timothy Brown	Nil
Jessica (Jessie) Glew	Nil
Richard Hill	300,000
Robin Tedder	Nil

**(b) Interested Person**

For the purposes of this section 10.13, an **Interested Person** is:

- (i) a director or proposed director of BlackWall;
- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of BlackWall; or
- (iv) a broker or underwriter to the issue of BlackWall Shares.

**(c) Interests**

Except as disclosed in this Bidder's Statement, no Interested Person holds or held at any time during the 2 years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting BlackWall;
- (ii) property acquired or proposed to be acquired by BlackWall in connection with:
  - (A) forming or promoting BlackWall; or
  - (B) the offer of BlackWall Shares, or
- (iii) the offer of New BlackWall Shares.

**(d) Benefits**

Except as disclosed in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to:

- (i) a director or proposed director of BlackWall to induce that person to become or to qualify as a BlackWall Director; or
- (ii) any Interested Person for services provided by that person in connection with:

- (A) forming or promoting BlackWall; or
- (B) the offer of BlackWall Shares under the Offer.

Gadens has acted as legal adviser to BlackWall in relation to the Offer. BlackWall has paid or agreed to pay approximately \$130,000 for these services to the date of this Bidder's Statement. BlackWall may also pay, or agree to pay Gadens additional fees (based on agreed hourly rates) for legal services provided in connection with the Offer after the date of this Bidder's Statement.

PricewaterhouseCoopers has acted as tax adviser and has performed work in relation to specific tax advisory services in relation to the Offer, including preparing the summary of Australian taxation considerations for Pelorus Shareholders set out in section 9 of this Bidder's Statement. BlackWall has paid, or agreed to pay PricewaterhouseCoopers, approximately \$50,000 (excluding GST) in total (excluding disbursements) for the above services up until the date of this Bidder's Statement.

BlackWall anticipates that it will incur approximately a further \$10,000 (excluding GST) of costs in connection with the Offer for typesetting, mailhouse and printing services.

The fees paid in connection with the preparation and distribution of this Bidder's Statement and for services provided in connection with the Offer (on the basis that the Offer is successful), including legal and taxation advisers and printing fees total approximately \$190,000.

The amounts disclosed above are exclusive of any amount of goods and services tax that may be payable by BlackWall in respect of those amounts.

#### **10.14 Regulatory and other approval, consent or waiver requirements**

BlackWall has received in-principle advice from the ASX that the ASX is likely to confirm the acquisition of Pelorus will not constitute a change to the nature or scale of BlackWall's activities that would require BlackWall to obtain the approval of BlackWall Shareholders, or require the Combined Group to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

#### **10.15 Expiry date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

#### **10.16 No other material information**

There is no other information that:

- (a) is material to the making of the decision by a Pelorus Shareholder whether or not to accept the Offer; and

- (b) which is known to BlackWall,

other than:

- (c) as set out or referred to elsewhere in this Bidder's Statement; or
- (d) information which it would be unreasonable to require BlackWall to disclose because the information has previously been disclosed to holders of Pelorus Shares.

## 11. Glossary

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### 11.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the contrary intention appears or the context otherwise appears, the following terms have the meanings shown below:

**\$** means the lawful currency of the Commonwealth of Australia.

**Acceptance Form** means the form with that title that accompanies the Bidder's Statement and which forms part of the Offer.

**Announcement Date** means the date on which the Offer was announced by BlackWall, being 24 August 2023.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the same meaning as set out in section 9 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by it.

**ASX Listing Rules** means the official listing rules of the ASX as amended, varied or waived from time to time.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement.

**Bidder's Statement** means this document, being the statement of BlackWall under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

**BlackWall** or **the Bidder** means BlackWall Limited ACN 146 935 131.

**BlackWall Board** means the board of directors of BlackWall.

**BlackWall Director** means a director of BlackWall from time to time.

**BlackWall Group** means BlackWall and its Related Bodies Corporate.

**BlackWall Shareholder** means any holder of BlackWall Shares.

**BlackWall Shares** means fully paid ordinary shares in the capital of BlackWall.

**Business Day** means a day on which banks are open for business in Sydney, New South Wales, excluding a Saturday, Sunday or public holiday.

**CGT** means the tax arising as a result of a CGT event as defined in the *Income Tax Assessment Act 1997* (Cth).

**Combined Group** means the group of companies resulting from the combination of the BlackWall Group and the Pelorus Group, following the acquisition by BlackWall of Pelorus Shares under the Offer.

**Competing Proposal** means any bona fide agreement, arrangement, or transaction which, if entered into or completed, would mean that a third party (either alone or with any associate thereof) would:

- (a) for any person who does not have a Relevant Interest in 20% or more of the Pelorus Shares on 24 August 2023, directly or indirectly acquire a Relevant Interest in 20% or more of the Pelorus Shares;
- (b) acquire Control of any member of the Pelorus Group;
- (c) otherwise directly or indirectly acquire or merge with any member of the Pelorus Group; and/or
- (d) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all of the business or assets of any member of the Pelorus Group,

whether by way of a takeover bid, scheme, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets or liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

**Conditions** means the conditions to the Offer as set out in Appendix 2 of this Bidder's Statement.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Corporations Instrument 2016/72** means *ASIC Corporations (Consents to Statements) Instrument 2016/72*.

**EBITDA** means earnings before interest, taxes, depreciation and amortisation.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim or any other security arrangement or any other arrangement having the same effect.

**End Date** means 7:00pm (Sydney time) on 19 October 2023.

**EPS** means earning per share.

**Favourable** means fair and reasonable, or not fair but reasonable, to Pelorus Shareholders.

**GST** means goods and services tax.

**Government Agency** means any government or any governmental, semi governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.

**Independent Expert** means Moore Australia (Vic) Pty Ltd.

**Independent Pelorus Director** means Paul Tresidder.

**Ineligible Foreign Shareholder** means a Pelorus Shareholder whose address as shown in the register of members of Pelorus is in a jurisdiction other than Australia and its external

territories and New Zealand, unless BlackWall otherwise determines (in its absolute discretion) after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Pelorus Shareholder in the relevant jurisdiction and to issue Pelorus Shares to such a Pelorus Shareholder on acceptance of the Offer, and that it is not unlawful for such a Pelorus Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

**Insolvency Event** means, in relation to an entity, any of the following:

- (a) the entity suspends payments of its debts generally or is or becomes unable to pay its debts when they are due;
- (b) the entity enters into, or resolves to enter into, any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class or them; or
- (c) a receiver, receiver and manager, liquidator, provisional liquidator, administrator, trust or similar official is appointed over any of the assets or undertakings of the entity, an application or order is made for the winding up or dissolution of the entity or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the entity.

**Interested Person** has the meaning given in section 10.11 of this Bidder's Statement.

**IFRS** means International Financial Reporting Standards.

**New BlackWall Shares** means the BlackWall Shares to be issued as Offer Consideration.

**NPAT** means net profit after tax.

**Nominee** has the meaning given in section 7 of this Bidder's Statement.

**Offer** means the offer by BlackWall on the Offer Terms to acquire Pelorus Shares (and for the avoidance of doubt includes each such offer made to an individual Pelorus Shareholder pursuant to that offer).

**Offer Consideration** means the consideration which Pelorus Shareholders will receive if the Offer becomes or is declared unconditional.

**Offer Period** means the period commencing on 18 September 2023 and ending at the End Date, or such later date to which the Offer has been extended.

**Offer Price** means 1 BlackWall Share for every 3 of your Pelorus Shares offered by BlackWall, on the terms set out in this Bidder's Statement, for the purchase of Pelorus Shares that exist at the Register Date.

**Offer Terms** means the terms and conditions of the Offer set out in Appendix 1 of this Bidder's Statement.

**Pelorus** means Pelorus Private Equity Limited ACN 091 209 639.

**Pelorus Director** means a director of Pelorus from time to time.

**Pelorus Group** means Pelorus and its Related Bodies Corporate.

**Pelorus Shareholder** means a holder of Pelorus Shares.

**Pelorus Shares** means fully paid ordinary shares in the capital of Pelorus, including all shares on issue as at the end of the Offer Period.



**Pelorus Subsidiary** means a Subsidiary of Pelorus.

**Prescribed Occurrence** means the events referred to in sections 652C(1) or 652C(2) of the Corporations Act, whereby references to "target" therein will be taken to mean Pelorus.

**Register Date** means the time and date set by BlackWall under section 633(2) of the Corporations Act, being 7:00pm (Sydney time) on 18 September 2023.

**Related Bodies Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Interest** has the meaning given in section 608 and 609 of the Corporations Act.

**Rights** means all accreditations, rights or benefits of whatever kind attaching or arising from Pelorus Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Pelorus or any of its subsidiaries).

**Subsidiary** of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal which the Independent Pelorus Director acting in good faith, and after receiving written legal advice from its legal advisers, determines:

- (a) is reasonably capable of being completed taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent, the identity of the proponent and ability to finance; and
- (b) would, if completed substantially in accordance with its terms, likely be more favourable to the Pelorus Shareholders (as a whole) than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal.

**Takeover Bid** means the takeover bid constituted by the Offer.

**Target's Statement** means the document provided by Pelorus to Pelorus Shareholders in response to this Bidder's Statement.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), as applicable.

**Trading Day** has the meaning given to it in the ASX Listing Rules.

**Voting Power** has the meaning given in section 610 of the Corporations Act.

**VWAP** means the volume-weighted average price.

**WOT** means the WOTSO Property stapled group (ASX: WOT).

**WOT Member** means a holder of WOT Securities.

**WOT Securities** means stapled securities in WOT.

## 11.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (b) words importing the singular include the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (f) reference to a person includes any other entity recognised by law and vice versa;
- (g) a reference to a section, attachment or schedule is a reference to a section, attachment or schedule to this Bidder's Statement;
- (h) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it;
- (i) a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (j) a reference to time is a reference to time in Sydney, New South Wales, Australia;
- (k) a reference to writing includes facsimile transmissions; and
- (l) a reference to dollars, A\$, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

## 12. Approval of Bidder's Statement

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The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the BlackWall Directors.

Signed in accordance with section 351 of the Corporations Act.



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Joseph Glew  
BlackWall Limited  
18 September 2023

## Appendix 1      Offer Terms

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### 1.      Offer

- (a)      BlackWall offers to acquire all of your Pelorus Shares, together with all Rights attaching to them, on the following terms and conditions.
- (b)      This Offer relates to Pelorus Shares that exist or will exist as at the Register Date.
- (c)      You may only accept this Offer for all of your Pelorus Shares.
- (d)      By accepting this Offer, you undertake to transfer to BlackWall not only the Pelorus Shares to which this Offer relates but also all Rights attached to those Pelorus Shares (see clauses 6.4 and 6.5).
- (e)      If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Pelorus Shares, then:
  - (i)      a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Pelorus Shares;
  - (ii)     a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other of your Pelorus Shares; and
  - (iii)    this Offer will be deemed to have been withdrawn immediately at that time.

### 2.      Consideration

- (a)      Subject to the terms of this Offer, the consideration offered is 1 New BlackWall Share for every 3 Pelorus Shares that you hold, or you will hold.
- (b)      If, at the time this Offer is made, you are an Ineligible Foreign Shareholder, you will not receive BlackWall Shares as consideration under the Offer. Instead, you are offered and will receive a cash amount as part of the Nominee sale process determined in accordance with clause 7.
- (c)      If you elect to participate in the Offer, any entitlement that you have to BlackWall Shares under this Offer will be calculated by dividing the number of Pelorus Shares you hold by 3. If this calculation results in an entitlement to a fraction of a BlackWall Share, the number of BlackWall Shares you are entitled to pursuant to this Offer will be rounded up to the nearest whole number of BlackWall Shares.
- (d)      If BlackWall reasonably believes that a Pelorus Shareholder's holdings have been manipulated to take advantage of this rounding up, then any fractional entitlement will be rounded down.
- (e)      The New BlackWall Shares to be issued under the Offer will be issued fully paid and will rank equally in all respects with all other BlackWall Shares currently on issue.

### **3. Offer Period**

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer, being 18 September 2023, and ending at 7.00pm (Sydney Time) on:

- (a) the End Date; or
- (b) any date to which the period of the Offer is extended in accordance with the Corporations Act,

whichever is the later.

### **4. Official Quotation of New BlackWall Shares**

- (a) BlackWall has been admitted to the official list of ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by ASX.
- (b) This Offer and any contract that results from your acceptance of this Offer are subject to a condition that:
  - (i) BlackWall applies to ASX within 7 days after this Bidder's Statement is given to Pelorus, for the admission of the New BlackWall Shares to official quotation; and
  - (ii) permission for admission to official quotation by ASX of the New BlackWall Shares to be issued under the Offers which are accepted, is granted no later than 7 days after the end of the Offer Period.
- (c) The condition in clause 4(b) is required by section 625(3) of the Corporations Act, is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Appendix 2. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by BlackWall can be taken to be a waiver of that condition. If this condition is not fulfilled all contracts resulting from acceptance of the Offer will be void automatically.
- (d) Official quotation of securities by ASX is not granted automatically on application. However, BlackWall has no reason to believe that the New BlackWall Shares to be issued under the Offer will not be admitted to quotation by ASX.

### **5. How to accept this Offer**

#### **5.1 Acceptance Deadline**

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7.00pm (Sydney Time) on the End Date, unless extended or withdrawn.

#### **5.2 Acceptance procedure for Pelorus Shareholders**

To accept this Offer you must complete and sign your Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated under clause 5.2(a) so that your acceptance is received before the end of the Offer Period.

**(a) Accepting the Offer**

**(i) By post**

Completed Acceptance Forms and accompanying documentation can be sent to:

**BlackWall Limited (Pelorus Takeover Offer)**  
PO Box 612  
Neutral Bay NSW 2089

A reply paid envelope (not able to be used by Pelorus Shareholders outside Australia) is enclosed for your convenience.

**(ii) By hand**

Completed Acceptance Forms and accompanying documentation can be hand delivered to:

**BlackWall Limited (Pelorus Takeover Offer)**  
50 Yeo Street  
Neutral Bay NSW 2089

**(iii) By email**

To accept via email, scan your completed Acceptance Form and accompanying documentation and send a copy to:

**Re: BlackWall Limited (Pelorus Takeover Offer)**  
[info@blackwall.com.au](mailto:info@blackwall.com.au)

The transmission of the Acceptance Form and other documents is at your own risk.

**(b) Acceptance Form**

The Acceptance Form which accompanies this Offer forms part of it. Subject to clause 5.4, the requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Pelorus Shares.

**(c) Beneficial owners**

Beneficial owners whose Pelorus Shares are registered in the name of a trust company or other nominee should contact that nominee for assistance in accepting this Offer.

**5.3 Authority to accept the Offer**

When accepting the Offer, you should ensure that:

- (a) if the Acceptance Form is executed by a corporation, it is signed by 2 directors, a director and a company secretary, or by the sole director in the case of an Australian company with a sole director;
- (b) if the accepting Pelorus shareholder is 2 or more joint holders, all such holders sign the Acceptance Form;
- (c) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney is provided with your Acceptance Form; and

- (d) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Pelorus Shareholder, a certified copy of the relevant grant of probate or letters of administration is provided with your Acceptance Form.

#### **5.4 When acceptance is complete**

Acceptance of this Offer will not be complete until the completed or signed (as applicable) Acceptance Form has been received at the address (either postal address or email address, as applicable) set out in clause 5.2(a) and the requirements of this clause 5 have otherwise been met, provided that:

- (a) BlackWall may in its sole discretion and without notice to you waive any or all of those requirements at any time (including requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under clause 5.2); and
- (b) where such requirements have been complied with in respect of some but not all of your Pelorus Shares, BlackWall may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Pelorus Shares for which the requirements have been complied with but not in respect of the remainder (unless BlackWall waives those requirements in accordance with clause 5.4).

Where BlackWall elects to waive any requirement of this clause 5, your acceptance of this Offer will be complete regardless of any failure by you to comply with the waived requirement.

### **6. Consideration for your Pelorus Shares**

#### **6.1 How the Offer Consideration for your Pelorus Shares will be provided**

The obligation of BlackWall to issue and allot any New BlackWall Shares to which you are entitled as Offer Consideration under the Offer will be satisfied by BlackWall:

- (a) entering your name in the BlackWall share register; and
- (b) dispatching or procuring the dispatch to you an uncertificated holding statement in your name by pre-paid ordinary mail to your address as shown on the Register (or such other address as you may notify in writing to BlackWall).

If your Pelorus Shares are held in a joint name, an uncertificated holding statement or a confirmation of issue will be issued in the name of the joint holders.

#### **6.2 When Offer Consideration is provided**

Subject to clause 6.3 and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, BlackWall will provide the Offer Consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) 1 month after the date this Offer is validly accepted by you or, if this Offer is subject to a defeating condition when accepted, within 1 month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

#### **6.3 Where additional documents are required**

Where the Acceptance Form or any subsequent request from BlackWall requires additional documents to be given with your acceptance (such as a certified copy of any of a power of

attorney, grant of probate or letters of administration, or any other document reasonably requested by BlackWall to give better effect to your acceptance):

- (a) if the documents are given with your acceptance, BlackWall will provide the consideration in accordance with clause 6.2; or
- (b) if the documents are given after acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time that BlackWall is given the documents, BlackWall will provide the consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the contract resulting from your acceptance of this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that BlackWall is given the documents, BlackWall will provide the consideration by the end of whichever of the following periods ends earlier:
  - (i) 1 month after BlackWall is given the documents; and
  - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, BlackWall will provide the consideration within 21 days after the documents are given; but if at the time BlackWall is given the documents, the contract resulting from your acceptance of this Offer is still subject to 1 or more of the conditions referred to in paragraph (d) of Appendix 2, BlackWall will provide the consideration within 21 days after that contract becomes unconditional.

If you do not provide BlackWall with the required additional documents within 1 month after the end of the Offer Period, BlackWall may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

#### **6.4 Where BlackWall is entitled to any Rights**

If BlackWall becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give BlackWall all documents necessary to vest those Rights in BlackWall or otherwise to give BlackWall the benefit or value of those Rights. If you do not give those documents to BlackWall, or if you have received the benefit of those Rights, then BlackWall may deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by BlackWall) of those Rights in accordance with clause 6.5.

#### **6.5 Rights generally**

If:

- (a) you have (or any previous holder of your Pelorus Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your Pelorus Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights,

then BlackWall may deduct the value (as reasonably assessed by BlackWall) of such Rights from any Offer Consideration otherwise payable to you.



If BlackWall does not, or cannot, make such a deduction, you must pay such value or amount to BlackWall.

## 6.6 Clearances for certain Pelorus Shareholders

- (a) If, at the time you accept the Offer, any consent, authority, clearance or approval is required for you to receive any consideration under this Offer, including any consent, authority, clearance or approval of:
  - (i) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
  - (ii) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
  - (iii) the Australian Commissioner of Taxation; or
  - (iv) any other person as required by any other law of Australia that would make it unlawful for BlackWall to provide the Offer Consideration for your Pelorus Shares,

then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive, and you will not be entitled to receive, any consideration for your Pelorus Shares unless and until all requisite consents, authorities, clearances or approvals have been received by BlackWall.

- (b) If BlackWall determines, acting reasonably and in good faith that it is liable to pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of Pelorus Shares from a Pelorus Shareholder, BlackWall will, for any such Pelorus Shareholder:
  - (i) determine the amount required to be paid to the Commissioner of Taxation (**Payment Amount**);
  - (ii) remit the Payment Amount to the Commissioner of Taxation within the time required under the TAA; and
  - (iii) after deduction of the Payment Amount, provide the net proceeds (including, where applicable, the requisite net number of BlackWall Shares after an adjustment in respect of deduction on account of the Payment Amount to reduce the number of BlackWall Shares provided), to that Pelorus Shareholder for the purposes of this Offer.
- (c) If BlackWall is required by law to retain or withhold (and pay to a Regulatory Authority) any amount of the Offer Consideration you are entitled to under this Offer, the retention or payment by BlackWall of that amount in conjunction with providing the remaining Offer Consideration to be provided to you in accordance with clause 6 will constitute full and proper provision of the Offer Consideration to you under this Offer.

## 7. Ineligible Foreign Shareholders

- (a) If you are an Ineligible Foreign Shareholder, you will not be entitled to receive BlackWall Shares as the consideration for your Pelorus Shares as a result of accepting this Offer. In this event, BlackWall will:

- (i) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of BlackWall Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for clause 7(b) and the equivalent provision in each other offer under this Offer;
- (ii) cause the BlackWall Shares so issued to be offered for sale by the Nominee on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee (at the risk of the Ineligible Foreign Shareholder); and
- (iii) cause the Nominee to pay to you the amount ascertained in accordance with the formula (for the avoidance of doubt, subject to adjustment under section 7(a)(i), if applicable):

$$\frac{N \times YS}{TS}$$

where:

- N** = the amount which is received by the Nominee upon the sale of all BlackWall Shares under this clause 7 less brokerage and sale expenses;
- YS** = the number of BlackWall Shares which would, but for clause 7(b), otherwise have been allotted to you; and
- TS** = the total number of BlackWall Shares allotted to the Nominee under this clause 7.

- (b) You will receive your share (if any) of the net proceeds of the sale of BlackWall Shares by the Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or, if you have an overseas address, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.
- (d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of BlackWall Shares by the Nominee, regardless of any delay in remitting these proceeds to you.
- (e) The Nominee may sell the BlackWall Shares in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Foreign Shareholders. The Nominee will sell the BlackWall Shares on ASX following the issue of those shares to it.
- (f) As the market price of BlackWall Shares will be subject to change from time to time, the sale price of the BlackWall Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither BlackWall nor the Nominee gives any assurance as to the price that will be achieved for the sale of the BlackWall Shares by the Nominee.
- (g) The Nominee will be appointed by, and will provide the Nominee services to, BlackWall. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder and does not underwrite the sale of the BlackWall Shares.

## **8. Conditions of this Offer**

### **8.1 Conditions**

Subject to this clause 8, this Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Conditions set out in Appendix 2.

### **8.2 Nature of Conditions**

Each of the Conditions:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the Condition referred to in paragraph (d) of Appendix 2, until 3 Business Days after the end of the Offer Period) will be for the benefit of BlackWall alone and may be relied upon only by BlackWall.

### **8.3 Effect of breach or non-fulfilment**

The breach or non-fulfilment of any of the Conditions does not, until the end of the Offer Period, prevent a contract arising to acquire your Pelorus Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period (or, in the case of the Condition in paragraph 6(b) of Appendix 2 at the end of 3 Business Days after the end of the Offer Period), in respect of any Condition:

- (a) BlackWall has not declared this Offer (and it has not become) free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void.

### **8.4 BlackWall may decide the Offer is free from all or any of the Conditions**

BlackWall may at any time, but in compliance with the Corporations Act, declare the Offer free from all or any of the Conditions by notice in writing to Pelorus:

- (a) in the case of the Condition referred to in paragraph (b) of Appendix 2 – not later than 3 Business Days after the end of the Offer Period; or
- (b) in any other case – not later than 7 days before the end of the Offer Period.

### **8.5 Date for giving notice on status of Conditions**

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 12 October 2023, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

## **9. Effect of acceptance**

### **9.1 Revocation of acceptance**

Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be

unable to withdraw your acceptance of this Offer or otherwise dispose of your Pelorus Shares, except as follows:

- (a) if, by the times specified in clause 9.2, the Conditions have not all been fulfilled or waived, then this Offer will automatically terminate and your Pelorus Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than 1 month the time when BlackWall has to meet its obligations under the Offer and, at that time, this Offer is subject to 1 or more of the Conditions, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

## **9.2 Times**

The relevant times for the purposes of clause 9.1(a) are:

- (a) in the case of the defeating Condition referred to in paragraph (b) of Appendix 2 – 3 Business Days after the end of the Offer Period; and
- (b) in the case of all other defeating Conditions in Appendix 2 – the end of the Offer Period.

## **9.3 Your Agreement**

By signing and returning the Acceptance Form, or otherwise accepting this Offer, you will be deemed to have:

- (a) irrevocably authorised BlackWall to alter the Acceptance Form on your behalf by:
  - (i) inserting on the Acceptance Form correct details of your Pelorus Shares (including details of a parcel of PELORUS Shares required by clause 12.4(b));
  - (ii) filling in any blanks remaining on the Acceptance Form; and
  - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form a valid acceptance of this Offer, to enable registration of the transfer of your Pelorus Shares to BlackWall, and agreed to provide any document reasonably requested by BlackWall to make the Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance; and
- (b) irrevocably accepted this Offer in respect of all your Pelorus Shares despite any difference between that number and the number of Pelorus Shares shown on the Acceptance Form; and
- (c) agreed to the terms and conditions of this Offer and, subject to the Conditions being fulfilled or waived, agreed to transfer to BlackWall of your Pelorus Shares; and
- (d) represented and warranted to BlackWall, as a fundamental condition which goes to the root of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your Pelorus Shares to BlackWall:
  - (i) you have paid to Pelorus all amounts which are due for payment in respect of your Pelorus Shares; and
  - (ii) all of your Pelorus Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and

- (iii) you have full power and capacity to sell and transfer the legal and beneficial ownership of those Pelorus Shares (including any Rights); and
- (iv) BlackWall will acquire good title to your Pelorus Shares and full beneficial ownership of them, free from all Encumbrances; and
- (e) on this Offer, or any contract resulting from acceptance of this Offer, becoming unconditional:
  - (i) irrevocably appointed BlackWall and each BlackWall Director from time to time individually as your agent and attorney on your behalf to:
    - (A) attend and vote in respect of your Pelorus Shares at all general meetings of Pelorus; and
    - (B) receive from Pelorus or any other party, and retain, any share certificates which were held by Pelorus, or any other party, whether pursuant to the terms of any employee incentive scheme (including any employee share scheme) or otherwise; and
    - (C) sign all documents (including an instrument appointing 1 of BlackWall's Directors as a proxy in respect of any or all of your Pelorus Shares and any application to Pelorus for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Pelorus Shares, and generally to exercise all powers and rights which you may have as an Pelorus Shareholder and perform such actions as may be appropriate in order to vest good title in your Pelorus Shares in BlackWall, and to have agreed that, in exercising such powers, any such BlackWall Director is entitled to act in BlackWall's interests as the beneficial owner and intended registered holder of your Pelorus Shares,

and such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the registration of BlackWall as the registered holder and beneficial owner of your Pelorus Shares; and

while such appointment continues:

- (ii) agreed not to vote in person at any general meeting of Pelorus or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on the BlackWall Board by clause 9.3(e)(i); and
- (iii) represented and warranted to BlackWall you are not a person who is (or acting on behalf of a person who is) a citizen or resident of a jurisdiction other than Australia and its external territories; and
- (iv) irrevocably authorised BlackWall to apply for the issue to your account of that number of New BlackWall Shares corresponding to your entitlement under this Offer at the date of application; and
- (v) agreed to accept the New BlackWall Shares to which you have become entitled by acceptance of this Offer subject to the terms of this Offer and the BlackWall Constitution, agreed that you will be bound by the BlackWall Constitution, and authorised BlackWall to place your name on its share register in respect of those New BlackWall Shares; and
- (vi) irrevocably authorised and directed BlackWall to direct Pelorus to pay to BlackWall, or to account to BlackWall for, all Rights in respect of your

Pelorus Shares, subject to BlackWall accounting to you for any such Rights received by BlackWall if this Offer is withdrawn or any contract resulting from your acceptance to this Offer is rescinded or rendered void; and

- (vii) except where Rights have been accounted for under clause 9.3(e)(vi), in accordance with clause 6.5, irrevocably authorised BlackWall to reduce the number of New BlackWall Shares you are entitled to by a value, as reasonably assessed by BlackWall of all Rights in respect of your Pelorus Shares; and
- (viii) irrevocably authorised BlackWall to notify Pelorus on your behalf that your place of address for the purposes of serving notices upon you in respect of your Pelorus Shares is the address specified by BlackWall in the notification; and
- (ix) acknowledged and agreed that, except as permitted by and in accordance with applicable law, you will not knowingly offer or resell in, or to persons in, the United States of America any New BlackWall Shares which you acquire at any time.

By accepting this Offer you will be deemed to have agreed to the matters set out in clauses 9.3(a) to 9.3(e) (inclusive).

BlackWall may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any), or there is non-compliance with any 1 or more of the other requirements for acceptance but, if BlackWall does so, BlackWall is not obliged to make the Offer Consideration available to you until all of the requirements for acceptance have been met.

## **10. Withdrawal**

BlackWall may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

## **11. Variation**

BlackWall may vary this Offer in accordance with the Corporations Act.

## **12. Acceptances by transferees and nominees**

### **12.1 Who may accept this Offer**

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Pelorus Shares may accept this Offer (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds 1 or more parcels of Pelorus Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
  - (i) each of those parcels; and
  - (ii) any parcel they hold in their own right.

## **12.2 Holding shares**

- (a) A person is taken to hold Pelorus Shares if the person is, or has a right to be registered as, the holder of those Pelorus Shares.
- (b) A person who has a right to be registered as a holder of Pelorus Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address (either postal address or email address, as applicable) indicated under clause 5.2(a) so that the acceptance is received before the end of the Offer Period.

## **12.3 Holding shares on trust or as a nominee**

A person is taken to hold Pelorus Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Pelorus Shares; and
- (b) hold their interest in the Pelorus Shares on trust for, as nominee for, or on account of, that other person.

## **12.4 Effective acceptance**

- (a) An acceptance of an offer under clause 12.1(b) is ineffective unless:
  - (i) the person who holds on account of another person, gives BlackWall a notice stating that the Pelorus Shares consist of a separate parcel; and
  - (ii) the acceptance specifies the distinct number of Pelorus Shares in that parcel.
- (b) References in this Offer to your Pelorus Shares will be treated to relate to that separate distinct parcel.

## **12.5 Notice of acceptance**

- (a) A notice under clause 12.4(a)(i) of these terms must be made in writing.
- (b) A person may, at the one time, accept for 2 or more parcels under this clause as if there had been a single offer for a separate parcel consisting of those parcels.

## **13. Other matters**

### **13.1 Notices and other communications**

Subject to the Corporations Act, a notice or other communication given by BlackWall to you in connection with this Offer will be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the Register or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

### **13.2 Return of documents**

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to BlackWall, but before it has been received; or
- (b) for any other reason BlackWall does not acquire the Pelorus Shares to which your Acceptance Form relates,

you may request BlackWall by notice in writing to return to you all documents (other than the Acceptance Forms) to such address as you nominate. Where such address is inside Australia, those documents will be sent to you by prepaid ordinary mail. Where such address is outside Australia, those documents will be sent to you by pre-paid airmail. BlackWall intends to destroy the Acceptance Forms in the above circumstances.

### **13.3 Costs and expenses**

All costs and expenses of the preparation, despatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of Pelorus Shares in respect of which Offers are accepted, will be paid by BlackWall.

### **13.4 Foreign laws**

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to receive New BlackWall Shares as Offer Consideration.

### **13.5 Governing law**

This Offer and any contract resulting from acceptance of it is governed by the law in force in New South Wales, Australia.



## Appendix 2      Conditions of the Offer

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Subject to this Appendix 2, the completion of the Offer and any contract that results from an acceptance of this Offer is subject to the fulfilment of the conditions set out below:

**(a)      Minimum acceptance**

During or at the end of the Offer Period, Blackwall having received acceptances under the Offer which give Blackwall a Relevant Interest in at least 80% of the Pelorus Shares.

**(b)      No Prescribed Occurrences**

No Prescribed Occurrence happens in the period between the Announcement Date and the date being 3 Business Days after the end of the Offer Period (both inclusive).

**(c)      BlackWall Shareholder approval**

Blackwall Shareholders approve the Takeover Bid and associated issue of the Offer Consideration for the purposes of ASX Listing Rules 7.1, 10.1 and 10.11.

**(d)      WOT Member approval**

WOT Members approve the acquisition of Relevant Interests in WOT Securities arising in connection with the Takeover Bid pursuant to item 7 of section 611 of the Corporations Act.

**(e)      Official quotation**

BlackWall applies to ASX for the admission of the New BlackWall Shares to official quotation and permission for admission to official quotation by ASX of the New BlackWall Shares to be issued under the Offers which are accepted, is granted no later than 7 days after the end of the Offer Period.

**(f)      No restraints**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i)      there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (ii)      no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii)      no application is made to any Government Agency (other than by BlackWall or an Associate),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of the Offer (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in section 7 of the Bidder's Statement) or which requires the divestiture by BlackWall of any Pelorus Shares or any material assets of Pelorus or any subsidiary of Pelorus.

The conditions in this Appendix 2 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the

Prescribed Occurrence conditions in paragraph (b) of this Appendix 2, until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell your Pelorus Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in clause 8.3 of Appendix 1.

## Corporate directory

<b>ABN:</b>	37 146 935 131
<b>Directors:</b>	<p>Mr Joseph (Seph) Glew, Non-Executive Director and Chairman;</p> <p>Mr Timothy Brown, Joint Managing Director and CFO;</p> <p>Ms Jessica (Jessie) Glew, Joint Managing Director and COO;</p> <p>Mr Richard Hill, Non-Executive Director; and</p> <p>Mr Robin Tedder, Non-Executive Director</p>
<b>Company Secretary:</b>	Ms Agata Ryan
<b>Registered and principal office:</b>	<p>Level 1</p> <p>50 Yeo Street,</p> <p>Neutral Bay NSW 2089</p>
<b>Legal adviser:</b>	<p>Gadens</p> <p>Level 13</p> <p>Collins Arch, 447 Collins Street,</p> <p>Melbourne VIC 3000</p>
<b>Tax adviser:</b>	<p>PricewaterhouseCoopers</p> <p>One International Towers Sydney</p> <p>Watermans Quay</p> <p>Barangaroo NSW 2000</p>
<b>Auditor*:</b>	<p>ESV</p> <p>Level 13</p> <p>68 York Street,</p> <p>Sydney NSW 2000</p>
<b>Share registry*:</b>	<p>Computershare Investor Services Pty Limited</p> <p>Level 3</p> <p>60 Carrington Street</p> <p>Sydney NSW 2000</p>
<b>ASX code:</b>	BWF
<b>Further information</b>	<p>For further information regarding the Takeover Bid and the Offer:</p> <ul style="list-style-type: none"> <li>• BWF Shareholders should contact BlackWall (Emily Franca) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time); and</li> <li>• Pelorus Shareholders should contact Pelorus (Carlos Nino) on +612 9033 8611, from Monday to Friday between 9.00am and 5.00pm (Sydney Time).</li> </ul>

*\*For information purposes only. These parties have not been involved in the preparation of this Bidder's Statement.*



