

TARGET'S STATEMENT

**The Search Party Ltd
ACN 149 006 913**

**The directors of The Search Party Ltd
unanimously recommend that you**

ACCEPT

**the Offer by
Applabs Technologies Ltd ACN 139 977 772
in the absence of a Superior Proposal**

This Target's Statement has been issued in response to the off-market takeover bid made by ALA for all the TSP Shares.

This is an important document and requires your immediate attention.

If you have any questions about the purpose or content of this document, or are in any doubt about how to deal with it, you should contact your broker, financial adviser or lawyer immediately.

Key Dates

Event	Date
Execution of Bid Implementation Agreement	18 January 2016
Announcement of Offer by ALA	20 January 2016
Lodgement of Bidder's Statement with ASIC	16 March 2016
Record Date	16 March 2016
Lodgement of Target's Statement with ASIC	17 March 2016
Dispatch of Bidder's Statement and Target's Statement to TSP Shareholders	18 March 2016
Offer opens	18 March 2016
Dispatch of Notice of Meeting to ALA Shareholders	15 April 2016
Prospectus lodged with ASIC	15 April 2016
Date for giving notice of status of Conditions	10 May 2016
General Meeting of ALA Shareholders held	16 May 2016
Prospectus Offer closes	17 May 2016
Offer Closing Date (unless extended)	18 May 2016
Anticipated date for re-instatement to trading on ASX	31 May 2016

* The dates set out in the above timetable are indicative only and may be varied in accordance with the Corporations Act, and, where required, in consultation with ASX. Any changes to the above timetable will be released by ALA to ASX.

Important Notices

Nature of this document

This Target's Statement is issued by TSP under Part 6.5 of the Corporations Act in response to ALA's Offer.

Interpretation

A number of capitalised terms are used in this Target's Statement. These terms are defined in section 9 of this Target's Statement. Unless a contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement that are defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

Unless stated otherwise, all data contained in tables is based on information available at the date of this Target's Statement. All numbers are rounded unless otherwise indicated.

The financial amounts in this Target's Statement are expressed in Australian currency. A reference to \$, A\$ and AUD is to Australian currency, unless otherwise stated.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not constitute personal or financial product advice. The TSP Directors encourage you to consider the information in this Target's Statement in light of your particular circumstances and to seek independent financial, taxation and legal advice before making a decision as to whether or not to accept the Offer.

ASIC disclaimer

A copy of this Target's Statement was lodged with ASIC on 17 March 2016. ASIC and its respective officers do not take any responsibility for the content of this Target's Statement.

Disclaimer as to information

The information on ALA and ALA's Shares contained in this Target's Statement has been prepared using publicly available information and has not been independently verified by TSP. Accordingly, neither TSP nor any TSP Director makes any representation or warranty, express or implied, as to the accuracy or completeness of such information.

This Target's Statement contains references to the Bidder's Statement. Neither TSP nor any TSP Director takes any responsibility for the contents of the Bidder's Statement, or for any part of the Bidder's Statement and gives no warranty as to the accuracy of the information contained in the Bidder's Statement.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. Such statements are predictions only and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which TSP operates as well as general economic and market conditions. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of TSP, TSP's Directors or officers, nor any other person, makes any representation, warranty or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement in this Target's Statement, or any events or results expressed or implied in any forward looking statement in this Target's 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 Target's Statement reflect views held only as at the date of this Target's Statement.

Risks

There are risk factors associated with holding TSP Shares, which apply irrespective of the Offer. There are also specific risks that arise in the context of the Offer. A brief overview of the risks is set out in section 9 of the Bidder's Statement and section 4.7 of this Target's Statement. You should consider these risks before deciding to accept or reject the Offer.

Images and Diagrams

Any diagrams, charts, graphs and infographics appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Target's Statement. Photographs and images in this Target's Statement are for illustration and/or example purposes only, and do not represent: assets owned by TSP or ALA, actual recruiters or candidates of TSP's technology, or staff of TSP, and should not be interpreted to mean that any person or entity shown is in any way affiliated with, or endorses this Target's Statement or its contents, or ALA, or TSP.

Foreign jurisdictions

This Target's Statement has been prepared in accordance with Australian law and the information contained in it may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in those jurisdictions. Accordingly, anyone who comes into possession of this Target's Statement should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement does not constitute or contain an offer to TSP Shareholders, or a solicitation of an offer from TSP Shareholders, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, TSP Shareholders that are Foreign Shareholders are directed to the 'Notice to Foreign Shareholders' included in section 10.15 of the Bidder's Statement, which should be read as if references to the Bidder's Statement were references to this Target's Statement. Prior to accepting the Offer, Foreign Shareholders should seek legal advice in their jurisdiction to determine whether accepting the Offer in their jurisdiction is lawful.

Websites

Any references in this Target's Statement to websites are textual references for information only and no information in any website forms part of this Target's Statement.

Privacy

TSP has collected your information from its register of members for the purpose of providing you with this Target's Statement. The type of information TSP has collected about you includes your name, contact details and information about your holdings of TSP Shares. Without this information, TSP would be hindered in its ability to issue this Target's Statement. Personal information of the type described above may be disclosed to ALA, ALA's registry, print and mail and other service providers, Related Body Corporates of ALA, and may be required to be disclosed to regulators, such as ASIC and ASX.

If you would like details of, or would like to update information about you held by TSP, please contact TSP's Company Secretary, Simone Lander, in the first instance on (02) 8001 6294.

Date of this Target's Statement

This Target's Statement is dated 17 March 2016.

Chairman's Letter

17 March 2016

Dear TSP Shareholder

On 20 January 2016, ASX-listed company, Applabs Technologies Ltd ACN 139 977 772 (**ALA**) announced its intention to make an offer of 198.1 ordinary shares in ALA for each ordinary share in The Search Party Ltd ACN 149 006 913 (**TSP**). We are pleased to say that ALA's Bidder's Statement has now been lodged with ASIC.

ALA is offering 198.1 ALA Shares for each TSP Share held by you. Based on the closing price of ALA Shares on 15 March 2016 of \$0.15 per ALA Share, the Offer values TSP at approximately \$44 million. The Offer is subject to a number of Conditions, and is being made in parallel with the Prospectus Offer to raise a total of \$3,704,996.90. As announced by ALA on 19 February 2016, firm commitments (subject to issue of the Prospectus and the Offer becoming Unconditional) have been received by it in respect of the full amount to be raised under the Prospectus Offer. Full details of the Offer are set out in ALA's Bidder's Statement and in this Target's Statement.

The TSP Directors have carefully considered the Offer and unanimously recommend that you accept the Offer in the absence of a Superior Proposal. In the absence of a Superior Proposal, all TSP Directors will accept or procure the acceptance of the Offer in respect of TSP Shares that they own or control, or in which they otherwise have a Relevant Interest.

TSP Directors recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement you have received from ALA.

Whilst ALA has a few small residual technology investments, the primary business of ALA post Completion will be the recruitment marketplace business of TSP. ALA will accordingly seek to change its name to The Search Party Group Ltd. Three existing TSP Directors (Benjamin Hutt (CEO), Paul Bird and I) will be appointed to the ALA Board and one existing ALA Director (Charles Thomas) will remain on the ALA Board. I will become the Chairman of ALA.

The detailed reasons why the TSP Directors recommend you accept the Offer are set out in section 2 of this Target's Statement, and include:

- the Offer represents fair value for your TSP shares;
- via the Offer and the Prospectus Offer, TSP will get access to an additional approximately \$6.0 million cash (approximately \$2.3 million cash and cash equivalents in ALA as at 31 December 2015 and approximately \$3.7 million via the Prospectus Offer, before transaction costs and working capital requirements from 1 January 2016 to Completion) to maintain and grow the business; and
- TSP Shareholders will benefit from a more liquid shareholding and the Merged Entity having expanded access to capital to maintain and grow its business.

It is important to note that in the TSP Board's considered view, it will be detrimental to TSP and TSP Shareholders if the Offer does not Complete. As at the date of this Target's Statement, the TSP Board is not considering any alternative proposals. There are also other risks in not accepting the Offer as set out in detail in section 2.4(j) of this Target's Statement. In particular, if ALA does not become entitled to proceed to compulsory acquisition and if no alternative proposal emerges, TSP will have significantly less cash with which to maintain its business or pursue its plans, and

generally reduced access to capital. TSP Shares will also not have the liquidity that is typical of shares in a listed entity.

The Offer is subject to various Conditions, which are set out in detail in section 8 of Annexure A of the Bidder's Statement and section 3.5 of this Target's Statement. Such Conditions include:

- ALA acquiring a Relevant Interest in at least 90% of TSP Shares;
- ALA Shareholders approving certain resolutions related to the Offer, including the change to ALA's nature and scale of activities; and
- ALA receiving ASX consent to its Re-admission.

If you wish to accept the Offer, you should follow the instructions in the Bidder's Statement and on the Acceptance Form referred to in the Bidder's Statement. The Offer is scheduled to close at 5.00pm (Sydney time) on 18 May 2016, unless extended or withdrawn.

An investment in the Merged Entity is subject to certain risks, which are highlighted in section 4 of this Target's Statement and section 9 of the Bidder's Statement. I encourage you to read these documents carefully and to consult your investment, financial, tax, accounting, legal or other professional advisers.

As always, should you have any queries please do not hesitate to contact Ben or me.

On behalf of the Board I commend this offer to you and encourage you to accept it in the absence of a Superior Offer.

Yours faithfully



Chairman
The Search Party Ltd

1. Questions and answers about the Offer

Set out below is a summary of the key features of ALA's Offer. This section seeks to address some anticipated questions about the Offer, but is not intended to address all issues relevant to the decision of whether to accept the Offer. It should be read together with all other parts of this Target's Statement and the Bidder's Statement.

Question	Answer	Further information
Who is making the Offer?	<p>Applabs Technologies Ltd ACN 139 977 772 (ASX:ALA).</p> <p>ALA was admitted to the Official List on 7 April 2010 as an agricultural investment business.</p> <p>On 20 January 2016, ALA announced its intention to merge with TSP. If the Offer Completes, ALA intends to focus its activities on expanding TSP's existing business.</p> <p>ALA proposes to change its name to Search Party Group Limited to reflect the Merged Entity's focus on the TSP business.</p>	<p>Target's Statement - section 6</p> <p>Bidder's Statement – section 3</p>
What is the Offer?	<p>ALA is offering to acquire all TSP Shares that are:</p> <p>(a) on issue at the Record Date; and</p> <p>(b) issued after the Record Date but prior to the end of the Offer Period on the conversion or exercise of TSP Options (ESOP) or TSP Options (A Class).</p> <p>For every TSP Share you own, ALA is offering 198.1 ALA Shares.</p> <p>The terms of the ALA Shares are described in section 4.6 of the Bidder's Statement.</p>	<p>Target's Statement - section 3</p> <p>Bidder's Statement – section 1 of Annexure A</p>
TSP Director Recommendations	<p>The TSP Directors unanimously recommend that you accept the Offer, in the absence of a Superior Proposal.</p> <p>Each TSP Director intends to accept the Offer for any TSP Shares owned or controlled by him, in the absence of a Superior Proposal.</p>	Target's Statement - section 2
Reasons to accept the Offer	(a) The Offer Consideration represents fair value for the TSP Shares.	Target's Statement – section 2.4

	<ul style="list-style-type: none"> (b) The Offer Consideration represents favourable allocation of the value of the Merged Entity to TSP Shareholders. (c) The Offer is a superior value proposition relative to alternatives. (d) Your shareholding will be more liquid in the Merged Entity. (e) You will hold shares in an ASX-listed entity. As a listed entity, ALA is expected to provide the TSP business with access to expanded and more efficient capital to maintain and grow its business. (f) ALA will provide TSP with access to increased cash reserves. (g) Major TSP shareholders have indicated their support for the Offer. (h) ALA intends to focus on expanding the business of TSP after Completion. (i) If ALA acquires more than 80% of the TSP Shares on issue under the Offer, accepting TSP Shareholders may be entitled to CGT rollover relief. (j) There are risks to TSP if the Offer is not successful, including that TSP will have significantly less cash with which to execute its business plan. 	
Is the Offer Conditional?	<p>Yes. The Offer is subject to a number of Conditions, which are set out in full in section 8 of Annexure A of the Bidder's Statement.</p> <p>The key Conditions (referred to as the Essential Conditions in the Bidder's Statement) include:</p> <ul style="list-style-type: none"> (a) ALA Shareholders having passed all Essential Resolutions at the General Meeting; (b) the Prospectus Offer closing and ALA receiving or becoming entitled to receive gross proceeds of not less than \$1,000; (c) ALA receiving from ASX written confirmation that ASX will terminate 	Bidder's Statement – section 8 of Annexure A

	<p>the suspension of ALA Shares from Official Quotation;</p> <p>(d) all TSP Options (ESOP) being validly converted into issued TSP Shares or otherwise cancelled;and</p> <p>(e) ALA receiving valid acceptances under the Offer in respect of TSP Shares representing at least 90% of the TSP Shares.</p> <p>These Essential Conditions may not be waived without the prior consent of TSP.</p> <p>The Offer becomes Unconditional when all Conditions have been fulfilled or, if able to be waived, have been waived by ALA.</p>	
When does the Offer open and close?	<p>The Offer opens on 18 March 2016.</p> <p>Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5.00pm (EST) on 18 May 2016.</p>	<p>Target's Statement - section 3.4</p> <p>Bidder's Statement – section 2 of Annexure A</p>
What choices do I have as a TSP Shareholder?	<p>As a TSP Shareholder, you have the following choices:</p> <p>(a) accept the Offer in respect of all your TSP Shares;</p> <p>(b) with the prior written consent of the Company¹, sell your TSP Shares to a third party; or</p> <p>(c) reject the Offer by doing nothing.</p> <p>If you accept the Offer, you will be agreeing to transfer all (and not some) of the TSP Shares you hold to ALA.</p> <p>¹ See section 8.2 of this Target's Statement for further details. Whilst it remains effective, the Suspension Deed restricts the ability of TSP Shareholders from disposing of TSP Shares without the prior written consent of the Company. The Company may withhold its consent in its discretion.</p>	<p>Target's Statement - section 5</p>
When do I need to make a decision?	<p>If you wish to follow the TSP Directors' recommendation and accept the Offer, you must do this before the scheduled close of the Offer Period, currently 5.00pm (EST) on 18May 2016.</p>	<p>Bidder's Statement - section 2 of Annexure A</p>

	It is possible that ALA may choose to extend the Offer Period in accordance with the Corporations Act. In addition, the Offer Period may be extended automatically in certain circumstances.	
When will I receive my Offer Consideration?	<p>If you accept the Offer and the Offer becomes Unconditional, you will receive your Offer Consideration by the earlier of:</p> <p>(a) one month after the later of the Offer being validly accepted by you and the date on which the Offer becomes Unconditional; and</p> <p>(b) 21 days after the end of the Offer Period.</p> <p>It is uncertain if and when the Offer will become Unconditional.</p>	Bidder's Statement – section 7 of Annexure A
How to accept the Offer	Details of how to accept the Offer are set out in section 4 of Annexure A of the Bidder's Statement and in the Acceptance Form accompanying the Bidder's Statement.	Bidder's Statement – section 4 of Annexure A
Tax implications	<p>Section 8 of the Bidder's Statement sets out a detailed overview of the Australian taxation considerations of accepting the Offer.</p> <p>While the outline provides a general summary of the Australian taxation considerations and potential consequences of participating in the Offer, the tax consequences of your participation will depend on your individual circumstances.</p> <p>The general summary is not intended to address all relevant tax matters that TSP Shareholders should consider.</p> <p>As such, you should obtain your own tax advice before making a decision on whether to accept the Offer.</p>	Bidder's Statement – section 8
What are some of the material risks of accepting the Offer?	<p>(a) Offer is conditional - the Offer is subject to the satisfaction or waiver of the Conditions. If these Conditions are not satisfied or waived by the end of the Offer Period, ALA has no obligation to acquire your TSP Shares or issue you with ALA Shares.</p> <p>(b) No access to a Superior Proposal – if you accept the Offer, you will not</p>	<p>Target's Statement – section 4</p> <p>Bidder's Statement – Section 9</p>

	<p>be able to participate in any Superior Proposal.</p> <p>(c) Fluctuations in the Merged Entity's share price – the Merged Entity's share price may rise or fall based on ASX market conditions and accordingly impact the implied value of the Offer Consideration.</p> <p>(d) Restricted Trading – the ALA Shares that TSP Shareholders will be issued on Completion may be subject to ASX escrow for a period of between 12 to 24 months.</p> <p>(e) TSP's current operations – the business risks that currently affect TSP and TSP Shares will continue to affect TSP, even as a subsidiary of ALA.</p> <p>(f) Changes in recruitment industry – developments and changes in trends in the recruitment industry may impact the success of the Merged Entity's business model.</p> <p>(g) Less than 90% acceptance – if ALA acquires a Relevant Interest in TSP but waives the Minimum Acceptance Condition then the ongoing minority TSP Shareholders may have the ability to impact decision-making about the operations of TSP after Completion.</p> <p>(h) Reliance on key personnel – if one or more key employees cease employment with the Merged Entity this could impact its performance and growth.</p> <p>(i) Market price of shares in Merged Entity – if there is an increase in the volume of sales of ALA Shares following Completion, this may adversely impact their market price.</p> <p>(j) Economic risks – general economic conditions along with share market conditions may affect the value of ALA Shares.</p> <p>(k) Additional requirements for capital – following Completion, the Merged Entity may require further financing. Additional equity financing may dilute shareholdings and debt</p>	
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	<p>financing may restrict operating activities.</p> <p>(l) Litigation – disputes between the Merged Entity and third parties could adversely impact the Merged Entity's operations, financial performance and financial position.</p>	
Further information	<p>For further information about the Offer or how to accept the Offer, please refer to section 1 of the Bidder's Statement.</p> <p>For any queries in relation to TSP or this Target's Statement, please contact TSP's Company Secretary, Simone Lander, on (02) 8001 6294.</p>	Bidder's Statement – section 1

2. Directors' recommendations and intentions

2.1 Directors of TSP

As at the date of this Target's Statement, the TSP Directors are:

- (a) Mr Benjamin Hutt – Managing Director and Chief Executive Officer;
- (b) Mr Joshua Rogers – Non-Executive Director;
- (c) Mr Paul Bird – Non-Executive Director;
- (d) Mr Stuart Gatenby – Executive Director and Chief Technology Officer; and
- (e) Mr Trevor Loewensohn – Chairman.

Pursuant to the terms of the Bid Implementation Agreement and subject to passing of each of the Essential Resolutions, Mr Benjamin Hutt, Mr Paul Bird and Mr Trevor Loewensohn will be appointed to the ALA Board with effect on and from the date the Offer becomes Unconditional. Further details regarding Mr Benjamin Hutt, Mr Paul Bird and Mr Trevor Loewensohn's background and experience are included in section 7.3 of the Bidder's Statement.

Mr Joshua Rogers and Mr Stuart Gatenby have given notice to the Company that they intend to resign as TSP Directors with effect on and from the date the Offer becomes Unconditional.

2.2 Directors' Recommendations

The TSP Directors unanimously recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal. In reaching their decision to recommend acceptance of the Offer, the TSP Directors had regard to various factors, which are set out in this Target's Statement.

In considering whether to accept the Offer, the TSP Directors encourage you to:

- (a) carefully read the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (c) obtain independent financial, tax, legal and any other relevant professional advice you may require before making any decision on whether to accept the Offer.

2.3 Intentions of the Directors in relation to the Offer

Each TSP Director intends, in the absence of a Superior Proposal, to accept the Offer in respect of the TSP Shares owned or controlled by him. See section 7.8 of this Target's Statement for information on the Relevant Interests of the TSP Directors in TSP Shares, TSP Options (ESOP) and TSP Options (A Class).

2.4 Reasons why you should accept the Offer

The TSP Directors recommend that TSP Shareholders accept the Offer in the absence of a Superior Proposal including, for the reasons summarised below:

- (a) **The Offer Consideration represents fair value for the TSP Shares**

Based on the closing price of ALA Shares on 15 March 2016 of \$0.15 per ALA Share, the Offer Consideration values each TSP Share at approximately \$29.72. This exceeds the \$19.81 per TSP Share valuation achieved by the Company under its recent rights issue.

The implied value of the Offer Consideration also exceeds the price at which ALA acquired a Relevant Interest in 25,240 TSP Shares, representing approximately 1.7 % of the TSP Shares on issue (calculated on a fully diluted basis including the TSP Options (ESOP)) as at the date of this Target's Statement. As announced to the ASX on 17 December 2015, ALA acquired this Relevant Interest in TSP Shares by subscribing for some of the shortfall under the recent rights issue at \$19.81 per TSP Share.

If the Offer Completes and you are issued ALA Shares, the theoretical value of the Offer Consideration will change as a consequence of changes in the market price of ALA Shares from time to time.

(b) **The Offer Consideration represents favourable allocation of the value of the Merged Entity to TSP Shareholders**

If ALA acquires 100% of the TSP Shares (including any TSP Options (ESOP) that are converted to TSP Shares) under the Offer, former TSP Shareholders (excluding ALA) will immediately following Completion hold approximately 74.79% of the Merged Entity.

The TSP Directors consider this to be a favourable allocation of value of the Merged Entity as between existing ALA Shareholders and TSP Shareholders.

(c) **The Offer is a superior value proposition relative to alternatives**

The TSP Directors have considered a range of other opportunities (including debt funding and asset transaction options) to provide an ongoing finance solution for TSP's upcoming work projects. In considering these alternatives the TSP Board has been mindful of the impact of each on longer-term value creation for TSP Shareholders. After careful consideration of these alternatives the TSP Board considers that the Offer gives TSP Shareholders the best opportunity to raise new capital, and potentially access further capital if required in the future, whilst affording TSP Shareholders the ability to increase the value of their investment.

(d) **Your shareholding will be more liquid in the Merged Entity**

As TSP is currently an unlisted public company, TSP Shareholders are not able to trade their shares freely. Further the Company and TSP Shareholders are bound (subject to the Suspension Deed) by the terms of the Shareholders' Deed. The Shareholders' Deed contains pre-emptive rights and other limitations that may affect TSP Shareholders' freedom to dispose of their TSP Shares. See section 8.2 below for further details.

The acquisition of TSP, if it successfully Completes, will represent a significant change in the nature and scale of ALA's operations. Accordingly, ASX has advised that it will require ALA to apply for Re-admission. Subject to ASX providing its consent to Re-admission and any ASX imposed trading restrictions (see section 3.17 of this Target's Statement for further details), the Offer will provide TSP Shareholders with access to a more liquid market for trading the ALA Shares they receive under the Offer when compared with the current illiquid market for unlisted TSP Shares.

(e) **You will hold shares in an ASX-listed entity**

The Merged Entity may also have access to a wider range of financial opportunities, including a wider spread of shareholders. This may facilitate future capital-raising. As a listed entity, the Merged Entity is expected to provide the TSP business with expanded access to capital to maintain and grow its business.

Listing the Merged Entity on ASX may also enhance the ability to attract new staff by virtue of the Merged Entity being able to offer a range of remuneration and incentives, such as by way of more flexible ownership plans.

By accepting the Offer, should it be successful, you will become a shareholder of a better capitalised company with cash reserves, a stronger balance sheet and improved access to capital for funding in order to develop TSP's global online employment marketplace.

(f) Access to increased cash reserves

As at 31 December 2015, ALA had a cash and cash equivalents balance of approximately \$2.30 million and under the Prospectus Offer is seeking to raise up to an additional maximum of \$3.70 million. As announced on 19 February 2016, ALA has received firm commitments (subject to issue of the Prospectus and the Offer becoming Unconditional) in respect of the amount to be raised under the Prospectus Offer.

ALA intends to apply these funds to maintain and grow TSP's business.. By accepting the Offer, TSP Shareholders will become shareholders of a company with a greater level of cash reserves available to support the business objectives of TSP.

(g) ALA intends to focus on expanding the business of TSP after Completion

TSP Shareholders who accept the Offer will be able to participate in the Merged Entity by holding ALA Shares.

According to section 7 of the Bidder's Statement, it is the present intention of the ALA Directors that, if the Offer Completes, the business of TSP will continue to be conducted in substantially the same manner as it is presently being conducted.

Full details regarding the profile of the Merged Entity, ALA's intentions in relation to TSP and relevant risks are set out in sections 6, 7 and 9 respectively of the Bidder's Statement.

The TSP Directors unanimously support the Offer in the absence of a Superior Proposal for TSP. They consider it the best opportunity currently available to TSP to further develop its business assets and obtain finance, and it enables TSP Shareholders to convert their investment into an ASX-listed security that is more readily disposable (subject to any ASX imposed trading restrictions – see section 3.17 of this Target's Statement for further details). TSP Shareholders will also have the opportunity to more readily increase their investment by acquiring ALA Shares on market, or as part of ALA's future capital-raising activities, without the restrictions currently imposed by pre-emptive rights in the Shareholders' Deed.

TSP Shareholders who retain their ALA Shares received as Offer Consideration will retain an exposure to the growth opportunities of the Merged Entity's business.

(h) **CGT rollover relief**

If ALA acquires more than 80% of the TSP Shares on issue under the Offer, accepting TSP Shareholders may be entitled to CGT rollover relief.

In summary, rollover relief means that the effective sale of TSP Shares by a TSP Shareholder under the Offer will not crystallise a taxation event and the TSP Shareholder's total capital gain will be deferred until such time as it disposes of the ALA Shares issued to it under the Offer.

(i) **There are risks to TSP if the Offer is not successful**

If the Offer is not successful and no Superior Proposal is made for TSP, TSP Shareholders will be exposed to the ongoing risks associated with an investment in TSP, including that there is likely to be:

- (i) significantly reduced capital with which to maintain or grow the TSP business and no access to the cash reserves held by ALA;
- (ii) greater difficulty for TSP, as an unlisted entity, to raise funding required to develop its business; and
- (iii) continued lack of opportunity to trade in or dispose of TSP Shares.

In addition, TSP has incurred considerable costs in connection with the negotiation and implementation of the Offer. If the Offer is unsuccessful, TSP will not be able to recoup those costs and may be liable to pay ALA a break fee of \$300,000. See section 8.1 of this Target's Statement and section 10.1 of the Bidder's Statement for further detail.

2.5 Reasons for not accepting the Offer

There are also factors that may influence TSP Shareholders not to accept the Offer. These include:

- (a) you may simply disagree with the TSP Board's unanimous recommendation and prefer that the Company continue as an unlisted public company;
- (b) the implied value of the Offer Consideration received by TSP Shareholders will depend on the price at which ALA Shares trade on ASX following Re-admission, which is not certain and may rise or fall based on market conditions, and on ALA's financial and operational performance. If the price of ALA Shares falls or rises, the value of the ALA Shares received by TSP Shareholders as Offer Consideration will alter correspondingly;
- (c) the sale after Re-admission of a significant number of TSP Shares on market may adversely impact the price of ALA Shares;
- (d) some ALA Shares held by TSP Shareholders may be escrowed and may not be sold on-market for up to two years following Re-admission; and
- (e) the risks described in section 4 of this Target Statement and section 9 of the Bidder's Statement.

3. Important information in relation to the offer

3.1 The Offer

On 20 January 2016, ALA announced to ASX its intention to make an off-market takeover bid for all of the ordinary shares in TSP pursuant to Part 6.5, Division 2 of the Corporations Act.

On 16 March 2016, ALA lodged a Bidder's Statement with ASIC. Annexure A of the Bidder's Statement contains details of the terms of the Offer and the Conditions, together with other material information. You should carefully read the Bidder's Statement in conjunction with this Target's Statement.

If you accept the Offer, you will not be able to participate in any Superior Proposal should one be made, except in the limited circumstances where you may withdraw your acceptance. These circumstances are specified in the Offer terms. As at the date of this Target's Statement, the TSP Directors are not aware of any such Superior Proposal.

The TSP Directors will continue to assess any opportunities that may arise to obtain a Superior Proposal for the TSP Shares and will deal with any such opportunities in a manner consistent with their statutory and fiduciary duties.

3.2 Consideration

ALA is offering TSP Shareholders 198.1 ALA Shares for every TSP Share they hold.

3.3 Will the ALA Shares be quoted?

ALA will apply for Official Quotation of the ALA Shares within seven days of the date of the Bidder's Statement. Official Quotation of the ALA Shares will not be automatic, but will depend on ASX exercising its discretion.

You should refer to section 4.4 of the Bidder's Statement for further information on this point.

3.4 Offer Period

Unless the Offer is extended or withdrawn, the Offer will be open for acceptance from 18 March 2016 until 5.00pm (EST) 18 May 2016.

Pursuant to section 650C(2) of the Corporations Act, unless certain specified events take place, ALA may not extend the Offer Period after it has given a Notice of Status of Conditions. However, if the Offer is Unconditional ALA may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) ALA improves the Offer Consideration offered under the Offer; or
- (b) ALA's voting power in TSP increases to more than 50%.

If either of these events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

3.5 Conditions

The Offer is subject to the Conditions set out in section 8 of Annexure A of the Bidder's Statement. In summary, the principal Conditions to the Offer are:

- (a) **ALA Shareholder approval:** the ALA Shareholders having passed all Essential Resolutions required at the General Meeting;
- (b) **Prospectus Offer:** ALA receives or becomes entitled to receive gross proceeds of not less than \$1,000 (before the costs of the Prospectus Offer) as a result of subscriptions made under the Prospectus Offer;
- (c) **TSP Prescribed Occurrence:** during the Offer Period, no TSP Prescribed Occurrence occurs;
- (d) **Minimum Acceptance Condition:** ALA receiving valid acceptances under the Offer in respect of ordinary shares in TSP representing at least 90% of the TSP Shares;
- (e) **No regulatory intervention:** during the period from 20 January 2016 to the date the Offer closes, there is not in effect any preliminary or final decision, order or decree, and no application is made (other than by ALA) or action or investigation announced threatened or commenced in connection with the Offer which would restrain, impede or prohibit the making of the Offer or any of the transactions being completed in connection with the Offer;
- (f) **ASX consent to Re-admission:** ALA receives from ASX written confirmation that ASX will re-admit ALA to the Official List and terminate the suspension from Official Quotation of ALA Shares, subject to the satisfaction of the terms and conditions, if any, as prescribed by ASX or the ASX Listing Rules;
- (g) **Conversion or cancellation of options:** all TSP Options (ESOP), being validly converted into issued TSP Shares or otherwise cancelled;
- (h) **Entry into escrow arrangements:** each TSP Shareholder required by ASX to enter into an escrow agreement entering into that escrow agreement with ALA on terms required by ASX;
- (i) **Other regulatory approvals:** before the end of the Offer Period, all approvals required by law or by any public authority:
 - (i) as are necessary to permit the Offer to be lawfully made to and accepted by TSP Shareholders, which are required as a result of the Offer or the acquisition of TSP Shares and which are necessary for the continued operation of the TSP business; or
 - (ii) as are necessary to permit the completion of any transaction contemplated by the Bidder's Statement (including implementation of the intentions expressed in section 7 of the Bidder's Statement),are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same;
- (j) **Statutory Condition:** the Offer is also subject to a statutory condition under the Corporations Act which requires an application for admission to Official Quotation for the ALA Shares issued as consideration to the TSP Shareholders be made within seven days after the start of the Bid Period, and for permission to be granted within seven days after the end of Bid

Period. This statutory condition cannot be waived by ALA and is described in section 11 of Annexure A of the Bidder's Statement.

3.6 Notice of Status of Conditions

As required by section 630(3) of the Corporations Act, ALA must lodge with ASX and issue a notice disclosing the status of the conditions to the Offer (**Notice of Status of Conditions**). Section 10 of Annexure A of the Bidder's Statement indicates that ALA will give a Notice of Status of Conditions to ASX and TSP on 6 May 2016 (subject to extension if the Offer Period is extended). In that notice, ALA is required to set out:

- (a) whether the Offer is free of any or all of the Conditions;
- (b) whether, so far as ALA knows, any of the Conditions have been fulfilled; and
- (c) ALA's voting power in TSP.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, ALA is required, as soon as practicable after the extension, to give a notice to TSP that states the new date for providing the Notice of Status of Conditions, and outlines whether the Offer has been freed from each Condition and whether each Condition has been fulfilled on the date the notice is given.

If a Condition is fulfilled (so that the Offer becomes free of that condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, ALA must, as soon as practicable, give TSP a notice stating that the particular Condition has been fulfilled.

As at the date of this Target Statement, none of the Conditions to the Offer (other than the condition relating to TSP raising and receiving valid applications for not less than \$2 million under the TSP rights' issue) have been fulfilled.

While TSP is not currently aware of any information that would cause a Condition to fail, ALA's Offer is subject to the Conditions and therefore TSP Shareholders may choose to wait for some of the outstanding Conditions to be fulfilled or waived before accepting the Offer.

3.7 Consequences of Conditions not being satisfied

If the Conditions are not satisfied or waived before Closing Date, the Offer will lapse and all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In those circumstances, each TSP Shareholder would continue to hold its TSP Shares and would be free to deal in those TSP Shares, subject to the terms of the Shareholders' Deed (see section 8.2 of this Target's Statement for further details), even if it had accepted the Offer.

3.8 Options

The Offer extends to all TSP Shares that are issued during the Offer Period upon exercise of the TSP Options (ESOP) and TSP Options (A Class) but does not extend to unexercised TSP Options (ESOP) and TSP Options (A Class).

As at the date of this Target's Statement, TSP has received irrevocable exercise notices from each of the TSP Optionholders (ESOP) for all of those TSP Options (ESOP), subject only to all Conditions to the Offer being fulfilled (other than the Condition relating to exercise of all the TSP Options (ESOP) during the Offer Period). TSP has agreed to provide a non-recourse loan to the TSP Optionholders (ESOP)

funding the exercise price of \$11.88 per TSP Option (ESOP) for the TSP Options (ESOP).

ALA has indicated that it intends to make a separate offer to the holder of the TSP Options (A Class) to acquire the TSP Options (A Class) for consideration of like-for-like unlisted options in ALA. The holder of the TSP Options (A Class) may or may not accept this offer. If this offer is not accepted, the TSP Options (A Class) will remain on issue in TSP after Completion if they are not otherwise compulsorily acquired by ALA.

3.9 Independent Expert Report

No independent expert report has been prepared for inclusion in this Target Statement. None is required by law. The TSP Directors consider that TSP Shareholders are able to decide whether or not to accept the Offer based on the merits of the Offer as presented in the Bidder's Statement and this Target's Statement.

3.10 Withdrawal of the Offer

ALA may not withdraw the Offer if TSP Shareholders have already accepted it, although the Conditions may not be satisfied and the Offer will lapse if they are not satisfied or waived. Before you accept the Offer, ALA may withdraw the Offer with the written consent of ASIC, subject to the conditions (if any) specified in such consent.

3.11 Effect of Acceptance

The effect of acceptance of the Offer is set out in section 6 of Annexure A of the Bidder's Statement. TSP Shareholders should read this carefully to understand the effect that acceptance will have on their ability to exercise the rights attaching to their TSP Shares and the representations and warranties which each will give by accepting the Offer.

3.12 Withdrawal rights

If you accept the Offer you may only withdraw your acceptance if ALA varies the Offer in a way that postpones, for more than one month, the time when ALA needs to meet its obligations under the Offer, and the Offer is still subject to the Conditions.

3.13 Improvement of the Offer by ALA after acceptance of the Offer

If ALA improves the Offer Consideration, all TSP Shareholders will be entitled to the benefit of that improved Offer Consideration, whether or not they have accepted the Offer prior to the improvement.

3.14 Lapse of Offer

The Offer will lapse if the Conditions are not waived or fulfilled by the end of the Offer Period. If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void, and each TSP Shareholder will be free to deal with its TSP Shares as it sees fit, subject to the terms of the Shareholders' Deed (see section 8.2 of this Target's Statement for further details).

3.15 Compulsory Acquisition

ALA has indicated in section 7.3 of its Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding TSP Shares.

ALA will be entitled to compulsorily acquire any TSP Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at

the end of the Offer Period ALA and its Associates have a Relevant Interest in at least 90% of the TSP Shares.

If this threshold is met, ALA will have one month after the end of the Offer Period within which to give compulsory acquisition notices to any TSP shareholders who have not accepted the Offer. TSP Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their TSP Shares.

If compulsory acquisition occurs, TSP Shareholders who have their TSP Shares compulsorily acquired are likely to be issued their Offer Consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

It is also possible that ALA will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the TSP Shares. ALA would then have rights to compulsorily acquire the TSP Shares not owned by it within 6 months of becoming the holder of 90%. ALA's price for compulsory acquisition under this procedure would have to be considered by an independent expert.

3.16 What if I do not accept the Offer?

If you do not accept the Offer, you will retain your TSP Shares and will not be entitled to receive any Offer Consideration. If the Offer becomes or is declared Unconditional but ALA does not become entitled to compulsorily acquire your TSP Shares under the Corporations Act, you will remain a shareholder in TSP.

ALA has stated that it will proceed to compulsory acquisition of all TSP Shares not yet acquired by ALA if ALA acquires a Relevant Interest in at least 90% of TSP Shares by the end of the Offer Period and each other Condition is satisfied or waived.

If this compulsory acquisition occurs, all TSP Shareholders who have not yet accepted the Offer, will be issued with the Offer Consideration on the same terms as TSP Shareholders who have accepted the Offer.

If the Offer becomes or is declared Unconditional but ALA does not become entitled to compulsorily acquire your TSP Shares under the Corporations Act (that is, it holds at least 90% of the capital of TSP), then unless you sell your TSP Shares you will remain a shareholder in TSP. In that case, depending on the number of TSP Shares acquired by ALA, you would continue as a minority TSP Shareholder. You would hold unlisted TSP Shares which would likely be less liquid than ALA Shares. You would also remain subject to the terms of the Shareholders' Deed, which includes pre-emptive rights provisions restricting your ability to dispose of TSP Shares. See section 8.2 of this Target's Statement for further details.

3.17 Restriction from trading

As the value of a substantial proportion of TSP's assets cannot be readily valued, TSP Shareholders are regarded by ASX as vendors of a "classified asset". One of the implications of this under the ASX Listing Rules is that any ALA Shares issued to TSP Shareholders as consideration for their TSP Shares may be subject to a period of escrow after their issue.

ALA will apply to ASX for a waiver from the vendor of a "classified asset" restriction requirements on the basis that a majority of TSP Shareholders paid cash for their TSP Shares upon issue by TSP and have held their TSP Shares for a substantial period of time prior to ALA making the Offer. If this waiver is granted, it is anticipated that:

- (a) 69,439,353 ALA Shares to be issued to the TSP Shareholders under the Offer will be subject to ASX escrow for 24 months from the date of Re-admission; and
- (b) 13,605,816 ALA Shares to be issued to the TSP Shareholders under the Offer will be subject to ASX escrow until various dates until 9 October 2016 (being 12 months after the date that the TSP Shareholder subscribed for the relevant TSP Shares);

As part of the acceptance documentation for the Offer, the TSP Shareholders will acknowledge that some or all of the ALA Shares may be escrowed in accordance with the requirements of ASX and will sign such form of escrow agreement as required by ASX.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the ASX Listing Rules. Prior to ALA Shares being reinstated to trading on ASX, ALA will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the ASX Listing Rules, and ALA will announce to ASX full details (quantity and duration) of the ALA Shares required to be held in escrow.

In addition to escrow arrangements required by the ASX Mr Trevor Loewensohn and Mr Joshua Rogers have also undertaken to ALA to enter into additional voluntary escrow arrangements for a meaningful portion of any ALA Shares held or controlled by them and otherwise not anticipated to be subject to ASX imposed escrow.

3.18 Can I be forced to sell my TSP Shares?

You cannot be forced to sell your TSP Shares unless ALA proceeds to compulsory acquisition. ALA will need to acquire a Relevant Interest in at least 90% of TSP's Shares in order to exercise its compulsory acquisition rights. In the event this occurs, you will then receive the same Offer Consideration as is payable under the Offer at that time.

3.19 Are there any the risks associated with accepting the Offer?

Yes. A summary of the risks associated with accepting the Offer are set out in section 9 of the Bidder's Statement and section 4 of this Target's Statement provides a detailed explanation of the risks associated with the Offer. The performance of the Merged Entity and the market price and value of the shares will be subject to a range of risks.

3.20 What happens if a Superior Proposal is made by a third party?

If you accept the Offer, you are only able to withdraw your acceptance in limited circumstances. Accordingly, if you accept the Offer you should not expect to be able to accept a Superior Proposal from a third party should one be made.

As at the date of this Target's Statement, no Superior Proposal has been received by TSP. TSP is prevented from soliciting alternative offers or proposals, or responding and negotiating with respect to a competing proposal for the TSP Shares under the Bid Implementation Agreement. However, these restrictions do not in any way prevent or restrict a third party from putting forward a Superior Proposal.

Further, these restrictions do not apply where the Board, acting in good faith and having obtained advice from its legal and financial advisors, reasonably determines that a competing proposal is a Superior Proposal and that failing to respond would be likely to constitute a breach of the directors' statutory or fiduciary duties.

3.21 What do the TSP Directors recommend I do?

The TSP Directors unanimously recommend that you accept the Offer for your TSP Shares in the absence of a Superior Proposal. Refer to section 2 of this Target's Statement for further information.

3.22 Intentions of the Bidder

The intentions of ALA and the Merged Entity (as at the date of the Bidder's Statement) are set out in section 7 of the Bidder's Statement. These statements are statements of intention as at the date of the Bidder's Statement and may change as new information comes to light or circumstances change.

3.23 TSP Share Price absent the Offer

Currently, TSP Shares are not quoted on a financial market and are an illiquid investment. If TSP does not Complete the Offer, there is no guarantee that there will be an active market for TSP Shares at any time in the future. In addition, the reduced capital of TSP is likely to jeopardise the ongoing viability of the TSP business.

The TSP Directors consider that there is a significant risk that, if the Offer is not successful, TSP will remain unlisted for some time and TSP Shareholders will not be able to realise their investment easily. TSP Shareholders will also be subject to the restrictions on disposal contained in the Shareholders' Deed. See section 8.2 of this Target's Statement for further details.

3.24 Tax

Given the complexity of the taxation legislation and the wide variety of differences in tax according to the particular circumstances of a shareholder, you should seek independent taxation advice regarding the tax consequences of accepting the Offer.

The Bidder's Statement at section 8 sets out a general outline of the Australian tax implications of accepting the Offer. The general outline is intended as a guide only for TSP Shareholders. The tax consequences for you will depend on your individual circumstances and you should obtain your own professional advice from a qualified tax adviser.

You should not rely on anything in this Target's Statement or in section 8 of the Bidder's Statement as advice about your own affairs. It does not cover how tax may apply to all TSP shareholders. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer for your TSP Shares.

3.25 Can I accept the Offer for some, but not all, of my TSP Shares?

No. You cannot accept the Offer for part of your TSP Shares. You can only accept the Offer for all of your TSP Shares and for any TSP Shares that are issued to you during the period from the Record Date until the end of the Offer Period due to the conversion or exercise of rights conferred by TSP Options (ESOP) and TSP Options (A Class) that you hold at the Record Date.

3.26 What happens if I accept my Offer now?

If you accept the Offer while it is conditional and unless withdrawal rights are available, you will give up your right to:

- (a) sell your TSP Shares; and
- (b) otherwise deal with your TSP Shares while the Offer remains open.

If you accept the Offer and it becomes Unconditional (whether by waiver or satisfaction of the Conditions), for every TSP Share you own, you will receive 198.1 ALA Shares.

3.27 How can I make further enquiries?

Please contact TSP's Company Secretary, Simone Lander, on (02) 8001 6294.

4. Risks

There are a number of factors which TSP Shareholders should be aware of in making their decision in relation to the Offer. The TSP Directors refer TSP Shareholders to the risk factors set out in section 9 of the Bidder's Statement and those set out below.

4.1 Offer is conditional

ALA's Offer is subject to the satisfaction or waiver of the Conditions, which as at the date of this Target's Statement, have not been satisfied or waived. The full terms of the Conditions are set out in section 8 of Annexure A of the Bidder's Statement. The Conditions must be either satisfied or waived by ALA before accepting TSP Shareholders can receive the Offer Consideration under the Offer.

If you accept the Offer and any of those Conditions remain unsatisfied at the end of the Offer Period, and are not waived by ALA, there is no obligation on ALA to issue ALA Shares as consideration for your TSP Shares. In the meantime, TSP Shareholders who accept the conditional Offer will be unable to deal with their TSP Shares or withdraw their acceptances.

4.2 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

As part of ALA's change in nature and scale of activities, ASX will require ALA to re-comply with Chapters 1 and 2 of the ASX Listing Rules. ALA Shares will be suspended from trading from the date of the General Meeting. It is anticipated that ALA Shares will remain suspended until ALA re-complies with Chapters 1 and 2 of the ASX Listing Rules and until any further conditions ASX imposes on Re-admission are satisfied. There is a risk that ALA will not be able to satisfy one or more of those requirements and that ALA Shares will consequently remain suspended from Official Quotation.

4.3 Inability to accept a Superior Proposal

A third party may emerge with a Superior Proposal. If you accept the Offer, you will not be able to participate in any Superior Proposal unless the Offer lapses or withdrawal rights are available to you due to extensions of the Offer Period. As at the date of this Target's Statement, the TSP Directors are not aware of a current or anticipated Superior Proposal.

4.4 Fluctuations in the Merged Entity's share price

Following Completion, the Merged Entity will be listed on ASX. Therefore, the Merged Entity's share price may rise or fall based on ASX market conditions and the Merged Entity's financial and operational performance. If the Merged Entity's share price falls, the value of the Offer Consideration received by TSP Shareholders who accept the Offer will decline in value. Accordingly, there is no guarantee that TSP Shareholders will actually realise the implied value of the Offer Consideration they would receive on acceptance of the Offer.

4.5 Restricted Trading

TSP Shareholders may be required under ASX Listing Rules to enter into a restriction agreement following Completion, under which they will be restricted from trading their ALA Shares for periods of between 12 and 24 months.

As set out in section 3.17 of this Target's Statement and in section 10.11 of the Bidder's Statement, ALA will apply to ASX for a waiver from certain restriction requirements but it is anticipated that some of the ALA Shares that are issued to TSP Shareholders will be subject to ASX escrow.

4.6 TSP's current operations

All the business risks that currently affect TSP and an investment in TSP Shares will continue to affect TSP, whether or not it becomes a subsidiary of ALA. A detailed list of these business risks are set out in section 9 of the Bidder's Statement.

4.7 Risks Relating to the Merged Entity

- (a) Changes and developments in the employment and recruitment industry

It is possible that the methods and approaches typically used in the recruitment industry will change or evolve with a corresponding impact on the Merged Entity's business model. The success of this model relies on recruiters and employers appreciating the value of a digital marketplace in order to secure employees. If trends in the industry were to evolve in such a way that employers preferred having a more direct relationship with potential employees this could influence the operation of TSP's platform.

- (b) Competition and new technologies

The industry in which the Merged Entity will operate is competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than currently available to the Merged Entity. Numerous entities around the world may resist the Merged Entity's efforts to commercialise or market products that may compete with their own offerings. The Merged Entity's competitors may develop new platforms and technologies in advance of the Merged Entity that are more effective than those developed by the Merged Entity or have greater market acceptance. As a consequence, the Merged Entity's platforms and technology may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability

- (c) Maintenance of key business partner relationships

The Merged Entity will rely on relationships with key business partners to enable it to continue to advance, promote and commercialise its products and technology. A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Merged Entity's financial position

- (d) Intellectual property

There can be no assurance that the Merged Entity's patent and trademark portfolio will afford the Merged Entity commercially significant protection of its platform and technology, or that competitors will not develop competing technologies that circumvents such intellectual property. Although the Merged Entity will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures will be sufficient.

- (e) Infringement of third party intellectual property rights

If a third party accuses the Merged Entity of infringing its intellectual property rights or if a third party commences litigation against the Merged Entity for the infringement of patent or other intellectual property rights, the Merged Entity may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Merged Entity incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against the Merged Entity may be able to obtain injunctive or other equitable relief that could prevent the Merged Entity from further developing discoveries or commercialising its platform and technology. In the event of a successful claim of infringement against the Merged Entity, the Merged Entity may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in platform and technology development and loss of substantial resources while it attempts to develop alternatives. Defence of any lawsuit or failure to obtain any of these licences could prevent the Merged Entity from commercialising its platform and technology and could cause it to incur substantial expenditure.

(f) Less than 90% of TSP Shareholders accept the Offer

It is possible that ALA could acquire a Relevant Interest of less than 90% of all TSP Shares on issue under the Offer. The existence of third party minority interests in TSP Shares may have an impact on the operations of TSP as TSP would not, in those circumstances, be a wholly owned subsidiary of ALA. However, this impact will depend upon the ultimate level of ALA ownership in TSP.

(g) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Merged Entity depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Merged Entity or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner. The Merged Entity does not have any present intention to obtain "key person" insurance for any member of its management.

(h) Historical business of ALA

ALA was incorporated as an agricultural investment business in October 2009 (known as AACL Holdings Limited at that time) and was admitted to the official list of the ASX in April 2010.

In October 2012, ALA sold its main operating business to Glencore and completed a backdoor listing in December 2013, acquiring Applabs Australia Pty Ltd and relisting as Applabs Technologies Limited. Since relisting, ALA has been operating as an app developer and technology financier, through the production of apps for customers, as well as the ability to fund, develop and market other technologies.

As at the date of this Target's Statement, ALA's main assets are its investments (see section 4.7(i) of this Target's Statement). In the Bidder's Statement, the ALA Directors state that they are not aware of any risks associated with ALA's historical businesses that may impact the financial performance of the business moving forward. They also state that they are not aware of any current or pending legal actions relating to these operations and no environmental or staff liabilities or risks identified resulting from earlier operations. This however, does not mean that there will never be any such actions.

(i) Investments

ALA holds existing equity investments of approximately \$882,751 (refer to section 3.5 of the Bidder's Statement).

No formal timetable for sale of these equity assets has been identified, however subject to the Offer Completing, the ALA Directors have stated in the Bidder's Statement that it is their current intention to divest all remaining assets in ALA within the next 12 months.

These equity investments may not realise current market values or the values recorded in ALA accounts.

(j) Merger integration risks

Integrating two companies may result in various integration risks connected with with integrating management, information systems and work practices.

(k) Market price of shares in Merged Entity

If the Offer is Completed, ALA will have issued a significant number of new ALA Shares to various parties. Some of the TSP Shareholders and others that receive ALA Shares as a result of the Offer may not intend to continue to hold those shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell ALA Shares may adversely impact the market price of ALA's Shares.

There can be no assurance that there will be, or continue to be, an active market for ALA Shares issued to TSP Shareholders under the Offer or that the price of those shares will increase. As a result, TSP Shareholders may, upon selling their ALA Shares, receive a market price that is less than the price at the date of the Bidder's Statement.

(l) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Merged Entity's activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

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

(m) Additional Requirements for Capital

The capital requirements of the Merged Entity depend on numerous factors. Depending on the ability of the Merged Entity to generate income from its operations, the Merged Entity may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(n) Litigation Risks

Disputes may arise relating to facts or circumstances occurring before or after Completion, in relation to TSP or ALA's historical or future activities. Any such claim or dispute, if proven, may impact adversely on the Merged Entity's operations, financial performance and financial position. TSP is not currently engaged in any material litigation.

(o) Investment highly speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Merged Entity. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Merged Entity and the value of its securities. Therefore, the ALA Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the ALA Shares.

5. Your choice as a TSP Shareholder

The TSP Directors unanimously recommend that you ACCEPT the Offer in the absence of a Superior Proposal. The reasons for the TSP Directors recommendation are outlined in section 2.4 of this Target's Statement.

However, as a TSP Shareholder, you have three choices available to you: to accept the Offer, dispose of your TSP Shares or reject the Offer.

5.1 Accept the Offer

TSP Shareholders may elect to accept the Offer in respect of all of their TSP Shares.

Section 4 of Annexure A of the Bidder's Statement contains details of how to accept the Offer.

Details of the Offer Consideration that will be received by TSP Shareholders who accept the Offer are set out in section 1 of this Target's Statement and in section 1 of Annexure A of the Bidder's Statement.

5.2 Sell Your TSP Shares

TSP Shareholders who have not already accepted or agreed to accept the Offer can attempt to sell their TSP Shares, with the prior consent of the Company in accordance with the Suspension Deed (see section 8.2 of this Target's Statement for further details). However, the TSP Directors note that as TSP is not listed, there is no liquid market for TSP Shares and it is likely to be difficult for a TSP Shareholder to sell their TSP Shares during the Offer Period, even if the Company's prior consent to a sale is procured.

Also, TSP Shareholders who sell their TSP Shares may be liable for capital gains tax on the sale. See section 8 of the Bidder's Statement for further details.

5.3 Do nothing

If you wish to reject the Offer, you should do nothing. No action is required.

However, TSP Shareholders should be aware that if ALA and its Associates have a Relevant Interest in at least 90% of the TSP Shares during or at the end of the Offer Period, ALA will be entitled to compulsorily acquire any TSP Shares that it and its Associates do not already own. See section 3.15 of this Target's Statement for further details in relation to the compulsory acquisition process.

If the Offer becomes or is declared Unconditional, but ALA does not become entitled to compulsorily acquire your TSP Shares under the Corporations Act, you will remain a minority TSP Shareholder.

6. Profile of ALA

6.1 Information in relation to ALA

Section 3 of the Bidder's Statement sets out information in relation ALA, its directors and key personnel and overview of its activities, assets and financial performance.

The ALA Directors have not independently verified the information in the Bidder's Statement and accordingly do not make any representation or warranty, express or implied, as to the accuracy or completeness of that information.

6.2 Directors of ALA

As at the date of this Target's Statement, the ALA Directors are:

- (a) Mr Patrick Glovac – Managing Director;
- (b) Mr Rocco Tassone – Non-Executive Director; and
- (c) Mr Charles Thomas – Non-Executive Director.

Pursuant to the terms of the Bid Implementation Agreement and subject to passing of each of the Essential Resolutions, Mr Benjamin Hutt, Mr Paul Bird and Mr Trevor Loewensohn will be appointed to the ALA Board with effect on and from the date the Offer becomes Unconditional, and Mr Rocco Tassone and Mr Patrick Glovac's will cease to be ALA Directors.

6.3 Current ALA Capital Structure

The effect of the Offer (and Prospectus Offer) on the capital of ALA is set out in section 6.6 of the Bidder's Statement.

6.4 Merger with TSP

As ALA is currently an app developer and technology financier, the acquisition of TSP, if successfully completed, will represent a significant change in the nature and scale of ALA's operations to an online recruitment platform provider.

ASX has indicated that this change in the nature and scale of ALA's activities will require:

- (a) the approval by ALA Shareholders of the change in nature and scale of ALA's activities as a result of Completion of the Offer; and
- (b) ALA to re-comply with Chapters 1 and 2 of the ASX Listing Rules and re-apply for admission to the Official List.

ALA intends to convene the General Meeting on approximately 16 May 2016 for the purpose of seeking the approval by ALA Shareholders to a number of resolutions required to Complete the Offer, including the change in nature and scale of ALA's activities as a result of Completion of the Offer.

It is a Condition to Completion of the Offer that each of the Essential Resolutions is approved by ALA Shareholders before the close of the Offer Period.

If any of the Essential Resolutions is not approved, ALA has indicated that the Offer will not proceed and the merger of TSP and ALA will not be Completed.

In accordance with ASX guidelines, it will be necessary for ALA to apply for a trading halt in ALA Shares from the beginning of trading on the date of the General Meeting.

If approval to the change in nature and scale of ALA's activities as a result of the Completion of the Offer is obtained, then subject to the passing of each other Essential Resolution, ALA will be required to apply for voluntary suspension of ALA Shares with effect from the close of the General Meeting. In such circumstances, ALA Shares will not be reinstated to Official Quotation until ALA has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- (a) ALA must satisfy the shareholder spread requirements relating to the minimum number of ALA Shareholders and the minimum value of the shareholdings of those ALA Shareholders;
- (b) ALA must satisfy the "assets test" as set out in ASX Listing Rule 1.3; and
- (c) the issue price of ALA Shares must be at least 20 cents and the exercise price of the ALA Options must be at least 20 cents.

ALA intends to seek a waiver from ASX in respect of:

- (a) ASX Listing Rule 2.1, Condition 2, being an application for ASX to waive the "20c rule" to permit ALA to raise capital under its Prospectus, and to apply for Re-admission with a share price of less than 20 cents;
- (b) ASX Listing Rule 1.1, Condition 11, being an application for ASX to waive the "20c rule" in respect of the exercise price of certain ALA Options ALA on issue at Completion;
- (c) ASX Listing Rule 7.3.2, which relates to the three month time period within which an entity must issue securities to an unrelated party after obtaining shareholder approval to the issue; and
- (d) ASX Listing Rule 10.13.3, which relates to the one month time period within which an entity must issue securities to a related party after obtaining shareholder approval to the issue.

TSP Shareholders should be aware that ASX will not re-admit or admit any ALA Securities to Official Quotation until ALA complies with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

In the event that ALA does not receive conditional approval for Re-admission to the Official List, the Offer will be withdrawn.

7. Profile of TSP

7.1 Recruitment industry overview

The recruitment industry is large and complex. In 2014, the recruitment industry globally transacted more than US\$300Bn in revenue but only ~\$9Bn (~3%) of that was transacted online. Most of this online revenue is revenue derived from job boards (online sites where employers post job advertisements) and online networking sites. Many companies use recruiters, but this is mostly happening offline and at significant cost, with placements costing on average, approximately 20%-30% of salary per candidate placed. Recruiters are only involved in approximately 20% of the permanent placements occurring in Search Party's key markets, the majority being placed through job boards.

When the first professional recruiters appeared in the 1950s, the primary source of candidates for a new position was job advertisements in the newspaper. This remained largely unchanged until the 1990s and advent of the internet. Job ads first moved online (as literally a version of themselves, just in digital format) and later evolved into job boards, or sites dedicated to job ads (e.g. Seek, Monster).

The next major change was in 2002 with the arrival of LinkedIn. Enabling job seekers to put up their own profiles online meant that the value of a CV held by a recruiter diminished. Employers could for the first time, look for people using their LinkedIn profiles, giving them access to millions of online potential employees and the ability to contact them to try to persuade them to apply for a job. Job boards also grew in popularity. Other professional social networks came and went, but LinkedIn became the primary professional network, and began generating significant revenue from recruiters and employers looking to hire someone.

In a separate stream of evolution where public review sites evolved in various industries (e.g. TripAdvisor for travel), companies such as Glassdoor started publishing company information and reviews. Job seekers became more able to research not only what it's like to work somewhere, but what reasonable pay should be and what benefits they can expect as their career advances.

Meanwhile, traditional recruitment agencies remained largely unchanged in terms of their scope and operating model, largely outbound sales driven businesses – they were slow to change and new operating models were not available.

As more employers embraced self-service and lower cost methods of hiring, such as job boards, recruiters have found it increasingly competitive to secure roles to fill and there has been downward pressure on fees and margins.

Fast forward to early 2010's and recruitment became an industry which received focus from a technological perspective. After the disruption of a few traditional industries like personal transport (Uber) and travel (Airbnb), recruitment underwent a significant technology evolution. Several well-known companies generated significant revenue online, including LinkedIn (2002), Monster (1999), Seek (1997), Indeed (2004) (which are presently all established businesses with 10-20 years operations). Other more recently established examples include: Hired (2012) which lets employers bid for curated candidates, 1Page (2011) which leverages public data and curates talent pools and businesses such as UpWork (prev. Elance & Odesk) (2015) and Freelancer (2009), which allow for the hiring of project-focused contractors easily.

7.2 Recruitment technology competitive landscape

There are many companies seeking to use technology to participate in or disrupt the recruitment industry. The major types of technology companies that operate in the recruitment space with some relevance to Search Party's business are set out below.

As an online marketplace, Search Party incorporates many of the features of each of these separate businesses into a single platform.

- (a) **Social platforms** – LinkedIn is the professional social network of choice globally. It allows job seekers to put up a digital version of their CV and for their peers to endorse them for skills. It generates substantial revenue from both employers and recruiters, who pay to search its online data, advertise open roles and contact candidates through its platform.
- (b) **Job boards** – Still the most common way to hire, job boards range from free listings to paid premium spots. The biggest players in this space are Monster and Indeed, as well as Seek in Australia. These generate revenue from both employers and recruiters, from paid database search and advertising.
- (c) **Two sided recruitment marketplaces** – Existing marketplaces fall into two categories, and generate revenue from employers:
 - (i) Creating a connection between recruiters and employers where the recruiter bids for the opportunity to work on a role for the employer. The original incarnation of this model was Bounty Jobs in the USA, more recently Hiring Hub in the UK.
 - (ii) Others focus on the connection between employers and job seekers directly (e.g. Hired, 1Page).
- (d) **ATS** – Many larger employers pay to use applicant tracking systems (ATS) to organise their incoming applications as well as referrals (e.g. Taleo, PageUp).
- (e) **Recruiter CRM** – On the recruiter side, the primary competition comes from specialist recruiter customer relationship management (CRM) systems like Bullhorn and JobAdder. Zoho, although not specialist, is also a popular choice

7.3 Company History

A brief history of Search Party since incorporation in February 2011 is set out below.

FEB 2011	<ul style="list-style-type: none"> Search Party (then Tempurer Pty Ltd, “Tempurer”) specialist Recruiter CRM product was founded and the team began developing the recruitment CRM and Payroll platform. Key founders in the business Jamie Carlisle and Stuart Gatenby. Benjamin Hutt joined the team in October 2011, leaving Macquarie in June 2012 to become COO/CFO.
MAR 2012	<ul style="list-style-type: none"> Seed capital raising completed.
FEB 2013	<ul style="list-style-type: none"> Tempurer Board resolved to create the Tempurer Marketplace and work began.
FEB – NOV 2013	<ul style="list-style-type: none"> Key product development for the marketplace: Candidate anonymisation and initial deduplication of candidates (data science), marketplace – price and service competition. Tempurer rebranded to The Search Party to align more with the new identity as a marketplace, not just a recruiter tool.

NOV – DEC 2013	<ul style="list-style-type: none"> Alpha launch of Search Party Marketplace in Australia with more than 30 agencies representing more than 1 million CVs engaged for launch. Large corporate employers also signed up and engaged including 1 of the “Big 4” accounting firms.
JAN 2014	<ul style="list-style-type: none"> Search Party made its first recruitment transaction in Australia which involved a 9 day end to end recruitment process and UK team hired to prep for July 2014 launch. 15+ agencies (4 million candidate CVs) engaged and signed as launch partners. Search Party UK business was incorporated as Talent Party Ltd.
MAY 2014	<ul style="list-style-type: none"> Search Party Marketplace alpha release was launched in the UK.
JUL 2014	<ul style="list-style-type: none"> Benjamin Hutt appointed as CEO and Managing Director.
OCT 2014	<ul style="list-style-type: none"> Joshua Rogers, marketplace expert and founding investor in Freelancer invests in the company and joins the TSP Board to support Ben in building and growing the business. Beta release in Australia and UK showed the business model would ultimately work, and provided basis for expanding product teams and growing customer and marketing activities. Canadian government provided support planning for launch in Canada.
EARLY 2015	<ul style="list-style-type: none"> Focused on increasing growth and continued refinement of the product to improving ease of use and conversion. Hired key people including country head for Canada and Chief Marketing & Product Officer Magda Walczak and CFO Jason Shepherd.
JUL 2015	<ul style="list-style-type: none"> Launched in Canada as strategic beachhead for North America. Rebranded as Search Party in UK.
JAN 2016	<ul style="list-style-type: none"> Takeover by ALA announced.
FEB 2016	<ul style="list-style-type: none"> TSP completes rights issue capital raising
MAY 2016	<ul style="list-style-type: none"> Planned relisting on ASX as Search Party Group (SP1) (indicative only).

7.4 TSP Operations

Introduction to the Search Party marketplace

Search Party is a recruitment marketplace that uses sophisticated technology and proprietary data science (see section 7.7 of this Target's Statement) to improve the recruitment process for all three stakeholders: employers, candidates and recruiters.

- (a) For employers our objective is to enable them to hire staff using the skills and experience of recruiters significantly faster and cheaper whilst maintaining or enhancing candidate quality.

- (b) For recruiters our objective is to expand their customer base and improve their profitability and efficiency using their existing database of candidates by focusing on the leads generated via the marketplace.
- (c) For job seekers, Search Party helps them be discovered for the right job, at the right time, at a company with the right cultural fit.

Search Party's vision is to be the new paradigm for recruitment. The mission is to be "the marketplace for employers, recruiters, and job seekers, that delivers outstanding value through innovation and insight, to ensure the right person gets to the right job every time".

Our proprietary data science includes candidate deduplication, skills and industry mappings, insights on when a candidate is likely to be ready for a new role, and other proprietary algorithms. For further information, refer to section 7.7 of this Target's Statement.

The TSP Board has observed that the creation of online marketplaces within an industry creates growth in the respective industries (e.g. via Uber many more people travel by vehicle than previously, with AirBNB many more people stay in someone else's house). Search Party expects to grow the recruitment industry's overall revenue by allowing it to expand into new customer segments; into small and medium sized enterprises (**SMEs**) who currently seldom engage with recruiters, or larger companies that have their own internal recruitment teams rather than use external recruiters.

There is no cost to join the marketplace for recruiters, employers or candidates.

In simple terms the business operates as follows:

- (a) Recruiters join the marketplace for free and advertise their candidate data using Search Party technology to maintain individual privacy. Search Party already has more than 970 recruiters and more than 15 million candidate CVs provided by recruiters.
- (b) Employers search and create a shortlist of potential employees for a role using Search Party data science and smart search. Search Party has more than 4300 employers.
- (c) Recruiters connected to the chosen candidates accept or negotiate a fee proposed by the employer then screen the chosen candidates (and others like them) for capability and interest before proposing them for interview. Employers interview and hire candidates as usual then pay the recruiter the agreed fee.
- (d) Search Party's revenue model is simple – it earns 20% of the fee the employer pays to the recruiter.

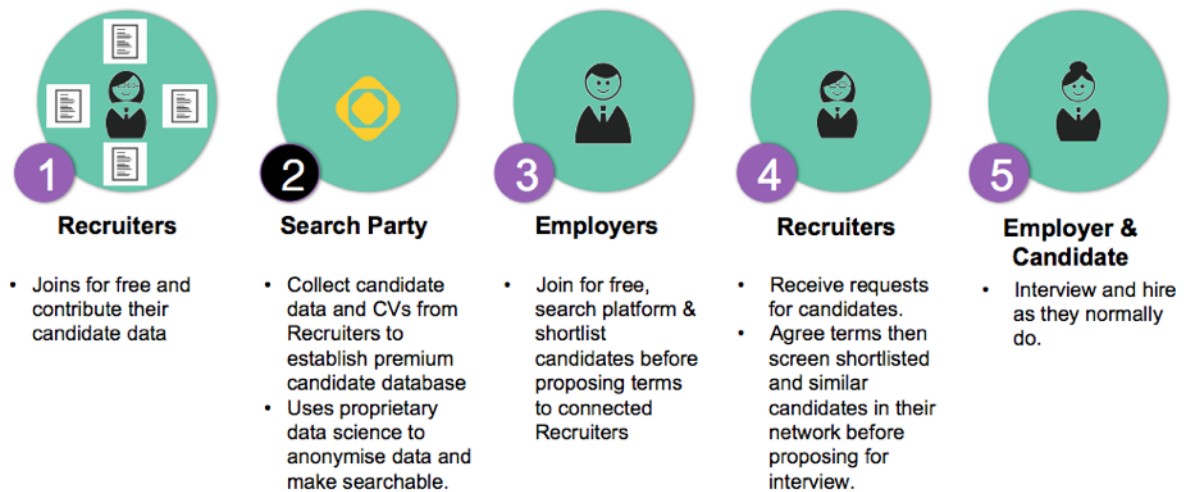


Figure 1. How Search Party Marketplace works

Importance of Recruiters to Search Party

A key differentiator of Search Party's business is the value it places on recruiters.

Search Party embraced recruiters from its inception because Search Party's directors and management believe recruiters are skilled in sourcing candidates, interviewing, qualifying experience and CV data, screening for fit and capability, and for getting a prospect excited about a role and processing efficiently the formalities of a change in employment. The TSP Board believes that there is significant value in this role, and if the cost of providing the service could be reduced and access and efficiency improved, there would be a significantly enlarged market opportunity for the established recruitment industry. The challenge for recruiters in evolving and growing their business (especially for smaller recruiters) is to contain business development costs sufficiently to allow them to transact profitably at a low enough fee that they are accessible to SMEs who do a large proportion of the employment. Recruiters must also compete against internal recruiters/HR teams at larger companies who have worked to internalise the recruitment function in recent years.

Search Party's platform is solving both of these problems. Every time employers request candidates on Search Party (refer to figure 1 above), this equates to a free (and warm) lead for a recruiter. Search Party's proposition is that free inbound leads mean that recruiters can afford to take lower fees because they're not spending significant time pitching for roles to employers; Search Party provides them. Further, Search Party's marketplace functionality allows recruiters to see relevant candidates within their databases suitable to the role or similar to the candidate shortlisted by the recruiter. Employers therefore get access to valuable recruiter skills and recruiters increase their operating margins. Search Party is confident that this makes recruiter businesses not only more viable and able to compete against new entrants, but also more profitable (even at reduced fees) enabling recruiters to take market share from the dominant Job Boards.

The recruitment sector is governed by very strict legislation on the ownership and usage of personal information. Search Party has adopted in each Search Party jurisdiction very technical, high quality solutions to ensure that recruiters, the owners of the personal data, have tools to support their anonymisation of candidate data.

Search Party performs strict privacy regulation and legal review to ensure the processes and systems in place abide by these individual requirements.

Search Party operates within the constraints of privacy legislation, summarised as follows:

- (a) all candidate data owned and controlled by the recruitment agency or agencies who have relationship with the candidate;
- (b) Search Party provides tools which agencies use to choose how much info to show or hide on candidates (i.e. anonymise them) by showing/hiding/obfuscating key pieces of info such as job titles, employers, educational institutions, courses, dates;
- (c) "Personal information" such as name, sex, DOB, next of kin etc is automatically removed from the data before the anonymised profile is published to the marketplace;
- (d) only registered site users can see / search data, so everyone is governed by terms & conditions;
- (e) only employers can search, therefore recruiters can't search each others' data; and
- (f) recruiters always seek permission from the candidate, during the pre-screening call, before putting them forward for a role.

Search Party has worked with experienced privacy lawyers in Australia, UK, Canada and USA in establishing the protocols for each jurisdiction to date.

Operating scope and geography

Search Party was founded and is head quartered in Australia. Engineering, data science and product teams are based in Australia. Overseas operations in the UK (8) and Canada (5) are essentially sales and marketing operations, focused solely on engaging customers and growing Search Party's market opportunity in these jurisdictions. However, the platform is borderless, and international expansion relatively straightforward and inexpensive as it requires no change to the underlying technology.

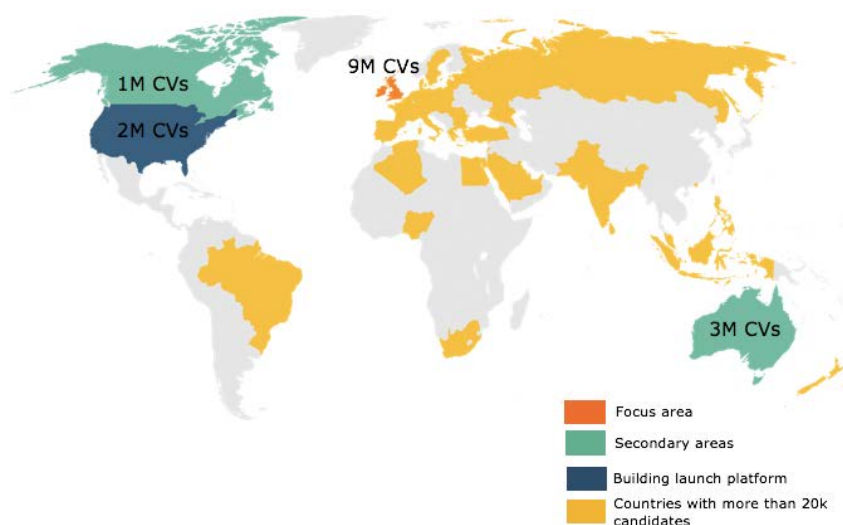


Figure 2. CVs committed to Search Party by country.

Since Search Party's beta release in October 2014, over 970 recruiters globally have signed up for Search Party Marketplace. Together, they've uploaded over 15 million candidate CVs.

	UK	Australia	Canada	Other	Total
Launch date	2014	2014	2015	n/a	
Employer Companies	1633	922	403	253	3211
Employer Users	2072	1441	442	408	4363
Recruitment Agencies	260	134	87	58	539
Recruiter Users	428	307	144	99	978

Figure 3. Search Party customers since October 2014 by country as at 9 March 2016. Excludes ~300 Recruitment companies & ~300 Employer companies from Alpha marketplace in UK & Australia (pre-Oct 2014).

Target customers

Search Party's marketplace is designed to service three constituents in the hiring process: employers, recruiters and job seekers represented by these recruiters.

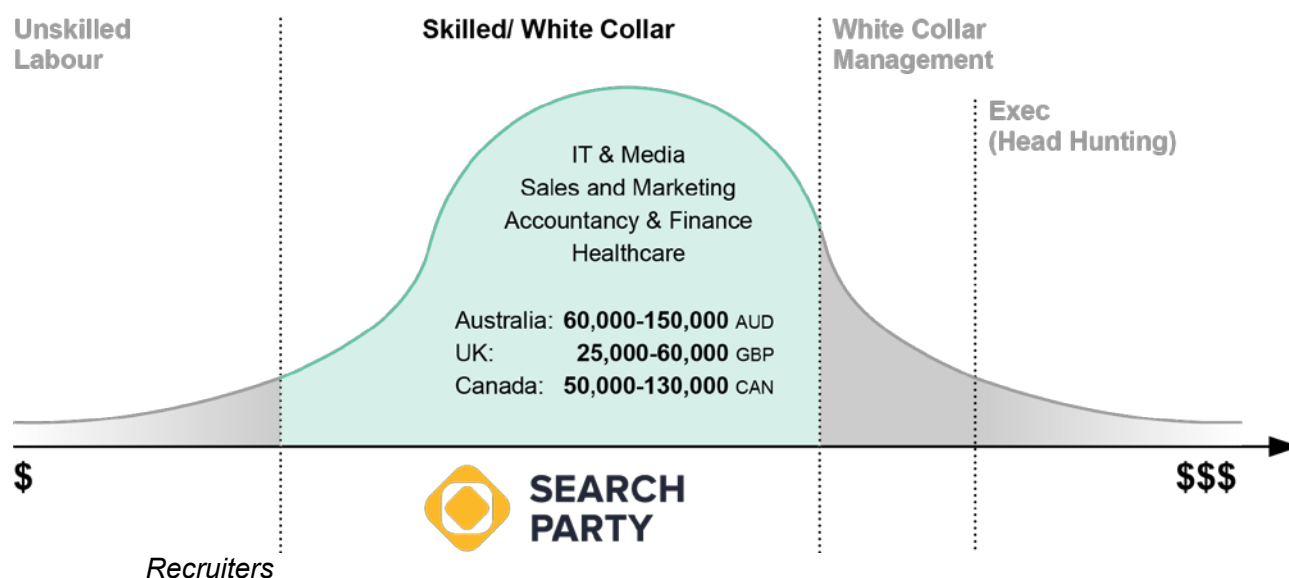
Currently, Search Party's marketplace benefits two of these three constituents, being employers and recruiters. Search Party's job seeker specific applications are currently in development and are anticipated to be released later in 2016.

Employers

Search Party's initial target customer employer is SMEs looking to fill mid-level professional roles. However, any business can potentially benefit from a lower cost and quicker alternative to traditional recruitment channels, so over time the TSP Board believes in addition to the initial target market of SMEs, large corporates and other substantial employers will adopt the Search Party as the platform which provides access to recruitment services at an affordable price without compromising candidate quality. For larger employers, the delivery of faster and less expensive recruitment may induce these employers to use the platform rather than their existing use of recruiters (panels, recruitment process outsourcing (**RPOs**)) or their own internal teams. The platform may be used to augment an existing internal team or even used as a tool to manage and communicate with a panel of recruiters.

Currently Search Party's most common roles are in the IT and media, sales and marketing, accountancy and finance, and healthcare sectors. Across Search Party's operational locations, the average candidate salary targeted is AUD\$80,000.

Figure 4. Search Party's targeted sweet spot in the employment market.



Recruiters are a key and valuable customer for whom Search Party offers a secondary revenue stream which can be leveraged in parallel to their existing full-service operations. Specialist recruiters are enabled to build relationships with new employer customers and have potential to significantly improve their efficiency, revenues and profitability.

Job seekers

When the Search Party Job Seeker Platform is released later in 2016, it will provide job seekers at any level in their career, from any location, and from any industry with a platform to engage with a recruiter (and/or strengthen an existing relationship with a trusted recruiter), and leverage tools to help job seekers drive the next step in their career.

Revenue Model

The revenue model is simple: Search Party earns 20% of the recruitment fee charged by a recruiter

Search Party revenue per placement is therefore:
(Final base salary) x (Fee agreed by employer and recruiter*) x 20%

*also referred to as Gross Payment Volume

In the past 12 months, on average, Search Party's median net revenue per permanent placement has been \$1,200 and ranged between **\$384 - \$2,887** depending on the mix of candidate salary and the agreed recruitment fee (on average, 8-10% of candidate salary). These factors vary in each case.

On average Search Party is targeting net revenue of \$1,300 per placement (equivalent to Gross Payment Volume per placement of \$6,500).

As explained earlier, Search Party came out of beta in August 2015 and the focus of the business at this stage is on building the volume of employers, recruiters and CVs. This is progressing well as shown in Figure 3.

Search Party marketplace is generating monthly revenue, which whilst materially in line with our expectations is still modest given the focus and early stage of development of the relaunched business. As at 31 December 2015 Search Party marketplace had generated approximately \$521,000 of Gross Payment Volume through the platform and \$108,000 of Net Marketplace Revenue (i.e. after payments to recruiters). The purpose of this Offer and related Prospectus Offer is to provide Search Party with access to capital to accelerate the rollout of the Search Party marketplace. As outlined below, this will involve significantly increased focus over the next circa months 12 months and beyond on marketing, product development and sales initiatives with the aim of achieving significant increases in placement volumes and as a result revenues, which are expected become material from about Q1 2017.

	Consolidated			
	31-Dec	30-Jun	30-Jun	Total
	2015	2015	2014	
	\$	\$	\$	
Sales revenue				
Gross marketplace revenue	357,083	117,674	46,180	520,937
Cost of marketplace sales	-280,103	-92,904	-39,855	-412,862
Net marketplace revenue	76,980	24,770	6,325	108,075
CRM revenue	25,146	94,087	180,589	282,874
Net revenue from continuing operations	102,126	118,857	186,914	390,949
Other income				
Interest	2,228	34,050	18,668	54,946
R&D refund	21,690	1,208,021	1,010,866	2,257,525
Total other income	23,918	1,242,071	1,029,534	2,312,471
Total	126,044	1,360,928	1,216,448	2,703,420

Search Party's focus is on growing the volume of customers and the effectiveness of the platform. Search Party's management will continually monitor and assess the results of these strategies, together with market awareness, and deploy its resources accordingly to achieve the best outcome for Search Party.

Sales Funnel and efficiency

Search Party's short to medium term strategy and focus is on two things:

- (a) growing the number of employers and recruiters using the platform; and
- (b) enhancing the effectiveness of the platform to improve conversion of roles to placement.

Search Party's conversion funnel (below) demonstrates the stages of converting an employer customer sign up to that employer making a placement via the platform.

Search Party's objective is to fill the top of the funnel by increasing the number of new employers who sign up, converting the sign-up into a job, then improving the efficiency of the funnel at every step up until the job becomes a placement, through a combination of marketing initiatives and platform improvement. The benefits of being an online business is that the funnel is traceable online, which means Search Party leverages data analytics through studying the behaviour of "cohorts" of vacancies and users through the platform, and user research to determine opportunities to improve product effectiveness and the engagement of recruiters and employers overtime to increase the funnel's conversion on an ongoing basis.

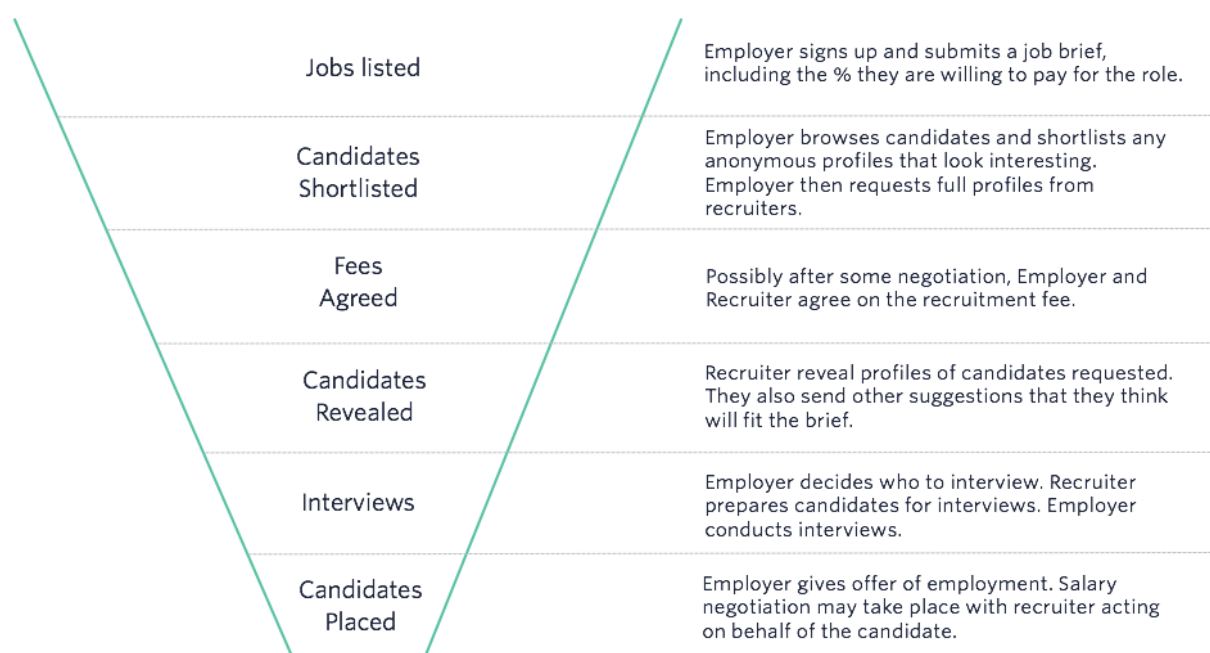


Figure 5. Search Party sales funnel.

Servicing agreements

On entry to new markets Search Party may offer new recruiters a service whereby a dedicated recruiter concierge supports new recruiters by responding to leads and screening candidates on their behalf. This service has been offered only where a recruiter wishes to participate in the marketplace, but does not have sufficient resources to staff it appropriately in the short-term. This service was operated for 6 months in Australia (ceased September 2014 as no longer required), and still operates in the UK (servicing two agencies only). The service has not been required in Canada due to a high degree of agency engagement and significant improvements to the recruiter interface since Search Party's beta launch in October 2014. These servicing teams constitute an immaterial variable cost to Search Party, and are serviced under specific corporate entities with appropriate licenses and controls to operate as recruiters on behalf of recruiters.

7.5 Search Party marketplace features

Search Party has leveraged research & development (**R&D**), and engineering and data science capabilities to build a range of features that provide a compelling value offering for its two initial key stakeholders: employers and recruiters.

Search Party for employers

Search Party management have observed that employers of all sizes have a similar objective when they have a recruitment need – finding the best people as quickly as

possible at the most efficient cost (including the opportunity cost of time spent searching). There are several contributing factors:

- (a) low quality (and too many) applicants if using job boards;
- (b) limited number of candidates when using recruiters;
- (c) no relationship with or high cost of recruiters;
- (d) lack of ability to tap into the large passive pool of candidates;
- (e) lack of internal skills to properly screen applicants;
- (f) false or misleading information on applications; and
- (g) low brand awareness, making it hard to attract high quality candidates.

Search Party gives employers access to millions of recruiter-represented candidates. By driving engagement between recruiter and employer it provides to the employer both the valuable skills and resources of a recruiter, and the insights enabled by a significant pool of candidate data and data science / machine learning algorithms.

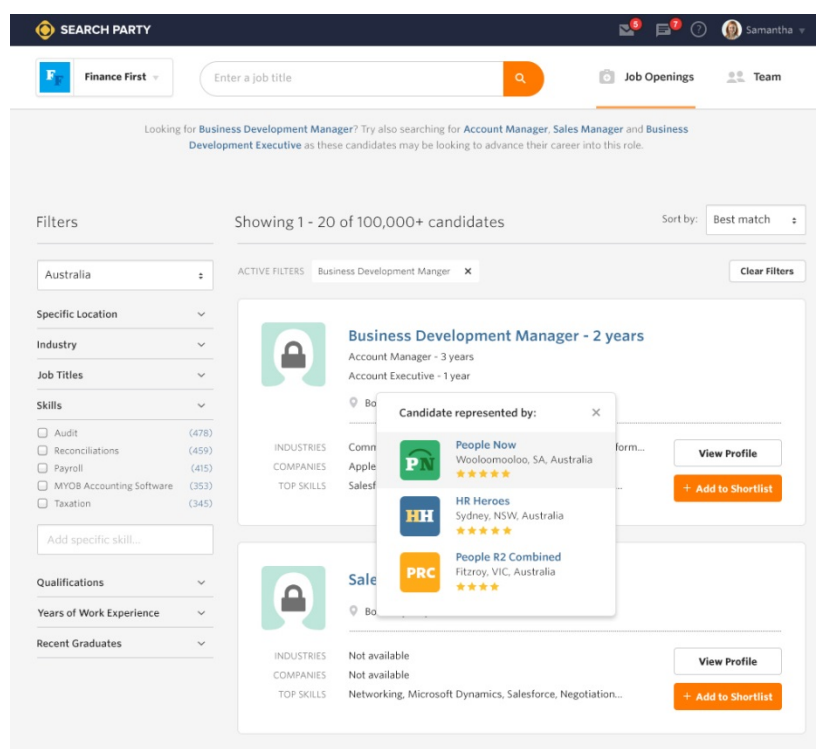


Figure 6. Illustrative employer search results page live at 7 March 2016

The TSP Board believes that the package of products and services offered by Search Party offers the right balance between giving employers the power and tools to hire effectively but with the support of professional recruiter services at less than the traditional cost. As Search Party isn't a full service model like traditional recruiter relationships, and because employers are engaged with multiple recruiters for each role, employers are able to negotiate lower fees (average 8% compared to industry 20%+) and recruiters are happy to accept them because Search Party provides the lead and tools to make it easy to identify the right candidates for a role.

Some of the features available to employers include the ability to:

- (a) search through millions of recruiter represented candidates by previous roles, skills, education and other relevant filters;
- (b) negotiate recruiter fees per recruiter (possible to have a range per role);
- (c) agree terms and guarantees that suit the employer;
- (d) hire full time employees as well as consultants, contractors and part time staff;
- (e) view recommended “more like this” candidates when the employer has identified a suitable candidate and wishes to find similar candidates;
- (f) pay only once the new hire accepts the offer;
- (g) create unlimited shortlists for unlimited number of jobs;
- (h) set up preferred recruiter panels where employers want to limit the recruiters they work with; and
- (i) benefit from integrations with other useful recruitment technologies.

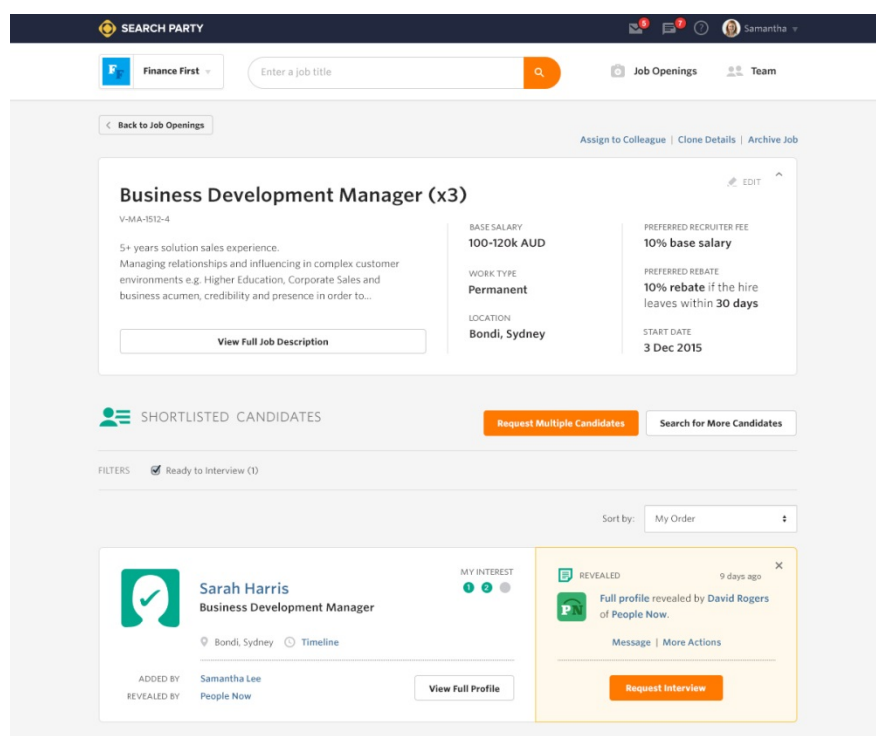


Figure 7. Direct screenshot (dummy data) of employer shortlist panel live at 7 March 2016.

Search Party for Recruiters

For recruiters, Search Party provides a means to activate more candidates in their database and drive efficiencies in how they service roles. This makes it easier to service the higher volume, lower cost, less specialised segment of the recruitment market, in parallel with their existing high fee high service roles, which in turn increases their profitability.

Search Party is a lead generation tool that helps recruiters grow their business. Instead of pitching existing customers or cold calling to generate roles, recruiters receive inbound leads from Search Party when employers request candidates with whom they already have a relationship.

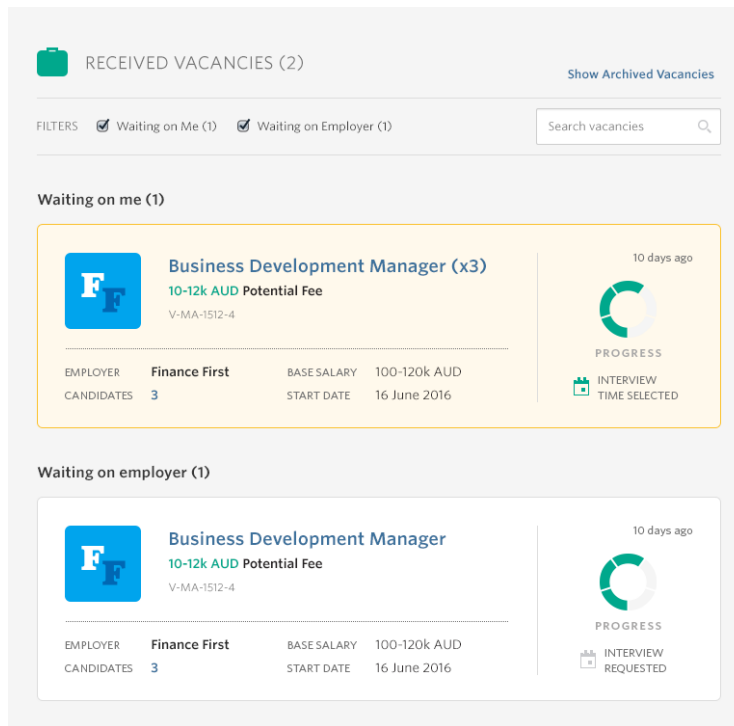


Figure 8. Direct screenshot (dummy data) of recruiter received incoming vacancy live at 7 March 2016.

In the simplest scenario, the recruiter is able to present the requested candidate to an employer and that person gets hired. In most cases, given the recruiter's candidate pool is passive (not actively seeking work), the recruiter will suggest other qualified, interested candidates. Either way, Search Party's model increases recruiter profitability because the return that recruiters earn on the time spent working Search Party roles is very high, which means that they are able to accept lower fees than they would on their normal business development efforts.

Key features currently available to recruiters are:

- (a) recruitment CRM which currently includes job posting, applicant tracking, invoicing, email marketing, timesheets and task management;
- (b) inbound leads from employers based on their candidates;
- (c) deduplication and anonymisation of candidates and publishing anonymous profiles to the marketplace;
- (d) recommender algorithms and tools such as "ready to move", which highlights candidates which may be ready for a new role and therefore good to spend time with; and
- (e) best of breed integrations such as fee tracking tools, background checking, and lost-fee identification and capture.

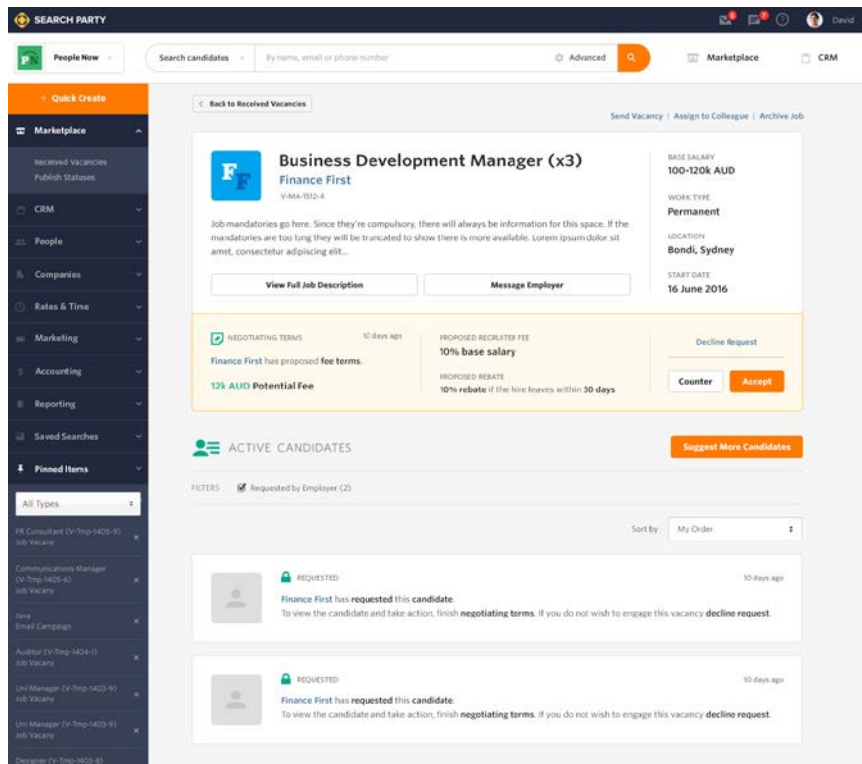


Figure 9. Direct screenshot (dummy data) of Search Party Recruiter vacancy detail view live at 7 March 2016.

Search Party for Job Seekers

The Job Seeker Platform interface (to be launched later in 2016) will enhance the job seeker's relationship with recruiters to help job seekers cultivate their professional brand, and curate their participation in the job market.

Job seekers will be able to:

- (a) update their CVs with all recruiters they work with (there is often more than 1 recruiter who has an individual's CV);
- (b) understand their career path options, see new opportunities and set and maximise salary expectations;
- (c) acknowledge when they are actively looking for roles;
- (d) connect to recruiters and give them tools to verify their education, skills and company culture preferences; and
- (e) enable them to have a voice about the places they have worked at using JobAdvisor.

JobAdvisor

Search Party acquired JobAdvisor in September 2015. JobAdvisor is an employer review website that helps businesses showcase their brand as a place to work in an open and transparent way. The JobAdvisor acquisition was a strategic step in supporting the growth and effectiveness of Search Party's ecosystem. JobAdvisor collects feedback in the form of employee reviews to create 'social proof', which employers can leverage to improve their ability to recruit. It allows employers to set expectations upfront, resulting in stronger employee engagement and retention. Companies of all sizes use JobAdvisor, including household corporate names.

JobAdvisor's model addresses a fundamental issue in recruitment - many employers struggle with growing their brand to attract good candidates. For some it's a lack of resources or skill, but for many others (i.e. SMEs) it's a general lack of awareness of what companies do and what it's like to work in them. JobAdvisor lets any size business create an attractive, informative online home for their brand as an employer. Their JobAdvisor profiles become a tool that employers can point to when wanting to recruit new people. For Search Party, this aids conversion as recruiters are able to use these profiles when approaching candidates with new opportunities.

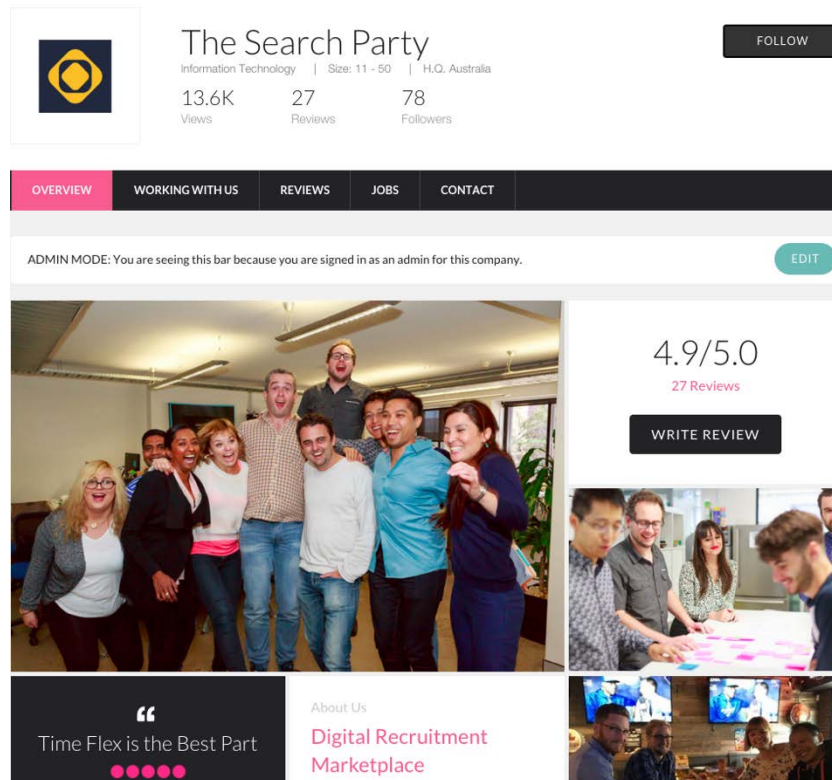


Figure 10. Employer JobAdvisor profile at 7 March 2016.

7.6 Growth and Customer Acquisition Strategies

Search Party's key objectives regarding growth are:

- (a) **Growth Strategy:** to maximise the volume of recruiter and employer customers, whilst improving the efficiency of the sales funnel (see figure 5 in section 7.4 above).
- (b) **Customer Acquisition Strategy:** to focus on repeatable and scalable demand generation, balanced by brand awareness campaigns.

Growing Search Party Employer base

In the past, Google Adwords and other Pay Per Click (**PPC**) sources (such as LinkedIn and Facebook) have been used by Search Party very successfully to generate an increasing stream of signups. Search Party will continue to use these tactics in 2016. Search Party understands how to scale this channel and has the ability to turn it up or down as needed. With increasing placements data, Search Party also has a strong understanding of high value, low volume roles, vs low value, high volume roles. Over the next few months, Search Party will prioritise optimising for those high value roles meaning the employer cost of acquisition of customer may increase (whilst remaining scalable), but the lead quality will increase, thereby contributing positively to the bottom line.

With important infrastructure initiatives recently completed, Search Party will increase its investment in search engine optimisation. This is both in terms of optimising the website “shop front” as well as launching product initiatives that will have a strong contribution to organic leads (e.g. making all blog and support content public). Both organic and paid efforts are supported by content marketing, which helps throughout the funnel, from awareness all the way through conversion. Search Party also employs several remarketing tactics such as automated lead nurturing to ensure that qualified visits never go to waste. Search Party will continue to experiment with traditional tactics such as targeted trade show sponsorships and cold calling. Both have yielded positive results in the past and while these traditional tactics are not as scalable as digital efforts, they continue to be part of Search Party’s short term initiatives.

Growing Search Party Recruiter base

Whilst Search Party’s primary acquisition of recruiters has been driven by word-of-mouth, Search Party has engaged in a variety of demand generation and brand awareness activities in the past 12 months. In existing markets, Search Party has targeted industry verticals and geographies that overlap with employers’ demands. Acquisition activities in Search Party’s current markets include:

- (a) PPC combined with keyword specific landing pages to encourage recruiters to sign up or schedule a demo;
- (b) public relations and speaking engagements, which build Search Party’s profile as a thought leader;
- (c) content marketing through blog and social channels targeted specifically at recruiters; and
- (d) retargeting on Google and social media to bring back unconverted visitors.

For new markets, Search Party has a tested acquisition strategy to support a launch in these new markets:

- (a) Research and hand-pick small, quality, niche agencies with the aim of having 5 agencies in each of the verticals Search Party wants to launch in the new market (e.g. IT, finance, sales, marketing).
- (b) Engage each target with a customized welcome gift (such as Australian-themed gift baskets), inviting them to a conversation. The key message of the communication is “Produce higher margins for your recruitment business when you leverage your candidates and relationships with the Search Party recruitment marketplace.” Traditional sales effort will be implemented following the initial target engagement.

Search Party is also pursuing strategic partnerships to support launch in new markets, such as its recent partnership with Hirabl, a provider of recruitment software focused on supporting recruiters, in the US. Alliance with such a provider gives Search Party access to 120+ engaged recruitment businesses, and provides potential access for HIRABL to Search Party’s recruiter customer.

Additional priorities to grow business

The following priorities can potentially position Search Party as a leader in modern recruitment and are the focus of the next six months.

Product development with focus on User Experience (“UX”) and user conversion through the funnel

With primary users currently being SMEs and recruiters, it's paramount that Search Party provides them with an easy to use interface that addresses their needs and removes the necessity for any human assistance. Accordingly, Search Party's first priority is to invest heavily in product improvements, customer enablement through sales and marketing, working towards, unassisted user journeys.

Job seeker activation

One of Search Party's biggest assets is its database of over 15 million CVs. Currently, it relies on recruiters to keep their data up to date, which is time-consuming. Activation of even a portion of those individuals can ensure Search Party data remains fresh so that it can leverage its data science and machine learning capabilities to improve the quality of experience for all three parties involved (job seekers, recruiters and employers). This also has the potential to expose Search Party to a large number of partnership and integration opportunities.

Increase product stickiness with platform play and strategic partnerships

Strategic integrations and providing a platform for easy plugins will increase Search Party product stickiness and enable cross-sell opportunities. This will be done by integrating other providers' tools into our user interface as options for our customers to use. Typically this will involve a trailing commission or revenue share arrangement with partners, and will be dependent on similar integration and co-marketing by them to their customers. For employers, it can make Search Party their one stop shop for hiring. For recruiters, it means giving them access to the business tools they need so that Search Party can become their daily business tool. For job seekers, it means helping their personal brand as an employee, but in an environment that goes beyond current social network solutions.

Cultural fit matching

Search Party is already proficient at identifying candidates by skills or experience, and is working on the next step - matching companies and candidates on company culture. JobAdvisor data, where employees "rate" and provide feedback on organisations they work within, enables Search Party to understand what the culture of a business is like, and what makes people like/dislike it. Soon Search Party will be able to match individuals with companies not just based on their capability to do the job, but also on their likelihood of fitting in.

Expansion of JobAdvisor

JobAdvisor serves as an entry strategy into new markets as well as a lead generation platform in existing ones. Search Party intends to launch JobAdvisor in the UK in the first half of 2016. Search Party will do this by seeding JobAdvisor with company data, enabling rapid customer acquisition and engagement.

On completion of these priorities, the TSP Board intends to consider further international expansion, subject to meeting business objectives around growth and effectiveness in existing market, progress with strategic partnerships, and availability of appropriate capital.

Search Party has multiple avenues to growing its business involving:

- (a) growth in customers employers, recruiters and their candidate CVs; and,
- (b) improving efficiency in growing placements and revenue.

As an early stage business there are many risks to achieving this growth, which include the risks set out in detail in section 4 of this Target's Statement, and can be summarised into the following broad categories:

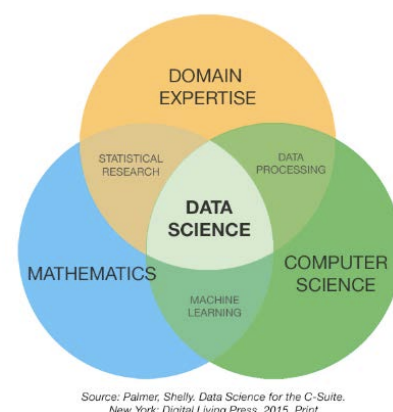
- (a) technology;
- (b) customer uptake;
- (c) competition;
- (d) financial;
- (e) listed and investment market;
- (f) regulatory; and
- (g) general business risk.

You are encouraged before accepting the Offer to read in detail the risks section of this Target's Statement and make sure you understand these risks and the possibility that they may slow or even prevent growth expected.

7.7 Data Science

Data science is a relatively new discipline and has different meanings across companies and industries. At Search Party, data science encompasses all aspects of using data more efficiently, particularly making predictions from data.

From inception, Search Party has invested heavily in research and development and best of breed data science capabilities. A dedicated data science team has been in place since 2013 when Search Party first began dealing with deduplication (resolving multiple CVs from a single candidate) and anonymisation (providing tools to allow recruiters to determine how much information to display for their candidates). Search Party has received more than \$3.5 million in R&D grants from Austrade to support these initiatives and will continue its investment in further R&D, and continue its data science enhancement to maximise its competitive advantage and business success.



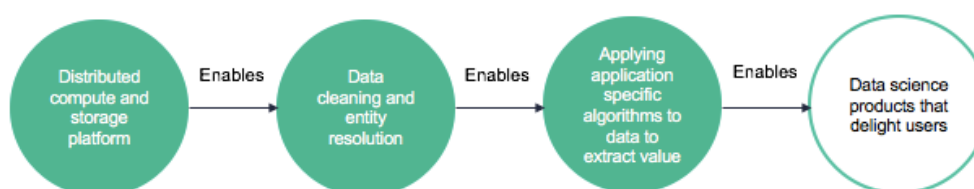
Data science approach at Search Party

Search Party's approach to data science involves several layers from technology to data product:

- (a) The base requirement is a platform that enables scalable computation and data storage. Production quality machine learning algorithms have different requirements to those in academia and the right platform is essential to achieve robustness and performance.
- (b) The next requirement is to clean the various data sources – the approach differs depending on the type of data and includes deduplication of multiple CVs (as any candidate may have more than one CV on file from more than 1 recruiter), linking records between different data sets and entity resolution (the recognition that an employer name may be represented a number of different ways across different CVs) via natural language processing.
- (c) Once data is clean, application specific algorithms can be applied to extract business value. For example, applying an algorithm to millions of candidate employment to gain an understanding of likely career progressions.

The results from application specific algorithms are then used to power various data products on the platform that delight users. For example a tool that allows people to interactively explore career paths.

Data science approach at TSP



Data science applications

This section sets out some of the aspects of the Search Party marketplace where data science and machine learning is core. These areas form the basis for many of the technical barriers to entry for other innovators, and support Search Party scalability.

Candidate Deduplication

Search Party is able to deduplicate approximately 15 million CVs in roughly 24 hours using a custom multi-stage clustering algorithm written in Spark running on a Hadoop cluster (this is an open-source processing engine, running on a special type of computational cluster of servers designed specifically for analysing huge amounts of unstructured data). This algorithm avoids applying approximately 64 trillion comparisons by collecting likely matches into canopies and then performing more sophisticated correlation clustering on each canopy. This approach also allows Search Party to scale near-linearly by adding hardware to match data volume increases.

Career Paths

By aggregating millions of candidate work history records Search Party is able to form a graph that describes likely career progressions including common skills and education that are associated with the transition. Uses of this data include suggestions for alternative search titles to marketplace users, a visual career path tool and also input signals into Search Party marketplace search algorithm.

Expected Candidate Behaviour

For many common job titles Search Party computed the distribution of the length of time spent in each role. From this data it can estimate several things, including an indicator of how ready a candidate might be to move jobs. Another use is to identify stale candidate records that are outliers. These indicators are displayed to employers and recruiters to provide an insight into where a candidate sits compared to the population. They are also used as an input to Search Party marketplace search.

Candidate Recommender

Current marketplace search results are produced using Solr, an advanced open source search engine. Search Party has (in early beta) a custom built recommendation engine that allows results to be fine-tuned using machine learning ranking methods based on many signals including a training set of historical user interactions. The recommender gives Search Party the potential to learn better from data what candidate results have the most engagement and are most likely to produce a placement given a particular search context.

Salary Extraction from Vacancies Using NLP

Leveraging a dataset of public vacancy descriptions Search Party has trained a deep learning model using natural language processing techniques (**NLP**) that is able to reliably extract salary ranges from raw text. It has applied this model to millions of vacancies to produce salary distribution information for several thousand job titles.

Industry Mapping

Search Party has also trained another deep learning model using public vacancy descriptions to map arbitrary length job description text to a fixed set of industries with given probabilities. This model has been applied to Search Party candidate data to produce a mapping from job title to top 3 industries which is then displayed on the platform.

Company Name Entity Resolution

Using an unsupervised word embedding approach Search Party has a beta solution to resolving any user entered company text string to a known company. This makes providing immediately meaningful results to users easier, with much less specific input required from them. A similar approach can be used to resolve many other entities, for example universities, job titles and skills. This allows us to take a very simple input from a user and attach it to a much broader context (i.e. company, industry, job-family)

7.8 TSP capital structure

As at the date of this Target's Statement, TSP's issued capital consists of:

- (a) 1,280,535 TSP Shares;
- (b) 206,234 TSP Options (ESOP); and
- (c) 464 TSP Options (A Class).

As detailed in section 3.8 of this Target's Statement, the Offer will be extended to all TSP Shares that are issued during the Offer Period upon exercise of the TSP Options (ESOP) and TSP Options (A Class) but does not extend to unexercised TSP Options (ESOP) and TSP Options (A Class).

7.9 TSP Directors' interests and dealings in TSP Shares, TSP Options (ESOP) and TSP Options (A Class)

As at the date of this Target's Statement, each TSP Director has the following Relevant Interests in TSP Shares, TSP Options (ESOP) and TSP Options (A Class):

TSP Director	TSP Shares	TSP Options (ESOP)	TSP Options (A Class)
Benjamin Hutt	19,824	98,808	Nil
Joshua Rogers	344,979 ¹	Nil	Nil
Paul Bird	3,610	Nil	Nil
Stuart Gatenby	19,737	75,169	Nil
Trevor Loewensohn	240,131 ²	Nil	Nil

Notes:

1. Held by Aimli Pty Ltd ATF Aimli Trust, an entity controlled by Joshua Rogers.
2. Held by TFLT Pty Ltd as trustee for the Loewensohn Family Trust, an entity controlled by Mr Loewensohn (237,633 TSP Shares) and Susan Loewensohn (2,498 TSP Shares).
3. A economic beneficial interest is held in these TSP Shares by TFLT Pty Ltd as trustee for the Loewensohn Family Trust, an entity controlled by Mr Loewensohn.

In the 4 months preceding the date of this Target's Statement, no TSP Director has acquired or disposed of a Relevant Interest in any TSP Shares, other than the issue of the following TSP Shares at \$19.81 per TSP Share:

TSP Director	TSP Shares	Issue Date
Trevor Loewensohn	2,523	22 December 2015
Joshua Rogers	14,647	22 December 2015
	702	8 March 2016

7.10 TSP Directors' interests and dealings in ALA Shares

As at the date of this Target's Statement, no TSP Director had any Relevant Interest in ALA Shares.

In the 4 months preceding the date of this Target's Statement, no TSP Director has acquired or disposed of a Relevant Interest in any ALA Shares.

7.11 Intentions regarding TSP upon Completion

ALA has stated, on the basis of the information concerning TSP known to ALA at the date of the Bidder's Statement, that following Completion:

- (a) the business of TSP will otherwise be continued in substantially the same manner is presently being conducted;
- (b) no other major changes will be made to the business of TSP or the deployment of TSP's assets; and
- (c) the present employees of TSP will otherwise continue to be employed by TSP (or TSP subsidiaries), or the Merged Entity (as applicable).

7.12 TSP – Financial Information

- (a) The historical consolidated statements of financial position of TSP are set out below and have been extracted from the audited consolidated statements of financial position as at the end of the financial years ended 30 June 2013, 30 June 2014, and 30 June 2015, together with the audited consolidated statements of financial position for the period from 30 June 2015 to 31 December 2015, being the last three years audited consolidated statements of financial position prior to the date of this Target's Statement.

	HY 31 Dec 2015 \$	2015 \$	2014 \$	2013 \$
CURRENT ASSETS				
Cash and cash equivalents	1,013,338	72,139	36,579	30,487
Trade and other receivables	192,751	2,552,188	1,046,818	452,143
TOTAL CURRENT ASSETS	1,206,089	2,624,327	1,083,397	482,630
NON-CURRENT ASSETS				
Receivables	87,004	73,907	63,175	27,940
Property, plant and equipment	53,248	64,718	62,247	40,528
TOTAL NON-CURRENT ASSETS	140,252	138,625	125,422	68,468
TOTAL ASSETS	1,346,341	2,762,952	1,208,819	551,098
CURRENT LIABILITIES				
Trade and other payables	471,290	820,523	259,076	90,386
Provisions	127,253	97,336	101,994	53,341
TOTAL CURRENT LIABILITIES	598,543	917,859	361,070	143,727
NON-CURRENT LIABILITIES				
Convertible notes	-	-	2,644,426	-
TOTAL NON-CURRENT LIABILITIES	-	-	2,644,426	-
TOTAL LIABILITIES	598,543	917,859	3,005,496	143,727
NET (DEFICIENCY)/ASSETS	747,798	1,845,093	(1,796,677)	407,371
EQUITY				
Issued capital	14,487,959	12,033,568	2,757,933	2,087,798
Option reserve	760,003	654,177	189,414	104,463
Retained losses	(14,470,230)	(10,783,281)	(4,738,059)	(1,784,890)
Foreign exchange translation reserve	(29,934)	(59,371)	(5,965)	-
TOTAL EQUITY	747,798	1,845,093	(1,796,677)	407,371

- (b) The historical consolidated statements of comprehensive income of TSP are set out below and have been extracted from the audited consolidated statements of comprehensive income for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, being the last three audited consolidated statements of financial performance prior to the date of this Target's Statement, together with the audited consolidated statements of financial position for the period from 1 July 2015 to 31 December 2015.

	HY 31 Dec 2015 \$	2015 \$	2014 \$	2013 \$
Revenue				
Gross marketplace volume	357,083	117,674	46,180	-
Cost of marketplace sales	(280,103)	(92,904)	(39,885)	-
Net marketplace revenue	76,980	24,770	6,325	-
CRM revenue	25,146	94,087	180,589	149,702
Interest revenue	2,228	34,050	18,668	8,196
R&D grant	21,690	1,208,021	1,010,866	402,555
TOTAL REVENUE	126,044	1,360,928	1,216,448	560,453
Expenses				
Employee benefits expense	(2,085,283)	(2,923,697)	(2,335,676)	(1,242,268)
Depreciation and amortisation expense	(11,410)	(20,410)	(13,973)	(4,242)
Share-based payment expense	(105,826)	(464,763)	(84,951)	(104,463)
Other expenses	(1,610,474)	(3,997,280)	(1,735,017)	(657,066)
Loss before income tax expense	(3,686,949)	(6,045,222)	(2,953,169)	(1,447,586)
Income tax expense	-	-	-	-
Loss for the year	(3,686,949)	(6,045,222)	(2,953,169)	(1,447,586)
Other comprehensive income	29,437	(53,406)	(5,965)	-
Total comprehensive loss attributable to members of the entity	(3,657,512)	(6,098,628)	(2,959,134)	(1,447,586)

7.13 Merged Entity - Financial Information

Refer to section 6 of the Bidder's Statement, which contains pro-forma financial information about the Merged Entity upon Completion.

7.14 Benefits and Agreements

- (a) Benefits in connection with retirement from office

No person has been or will be given any benefit (other than a benefit which can be given without shareholder approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of TSP or a Related Body Corporate of TSP as a result of the Offer.

(b) Agreements connected with or conditional on the Offer

There are no agreements made between any TSP Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of TSP Shares.

Notwithstanding the above, it has been agreed between TSP and ALA pursuant to the terms of the Bid Implementation Agreement and subject to passing of the Essential Resolutions, that Mr Benjamin Hutt, Mr Paul Bird and Mr Trevor Loewensohn will be appointed to the ALA Board with effect on and from the date the Offer becomes Unconditional.

The proposed annual remuneration that each of them will receive for holding this office is set out below:

Benjamin Hutt	\$253,440 per annum excluding superannuation
Trevor Loewensohn	\$20,000 per annum excluding superannuation
Paul Bird	\$40,000 per annum excluding superannuation

(c) Benefits from ALA

No TSP Director has agreed to receive, or is entitled to receive, any benefit from ALA or any Related Body Corporate of ALA that is conditional on, or is related to, the Offer, other than in their capacity as a holder of TSP Shares.

7.15 Interests of TSP Directors in contracts with ALA

None of the TSP Directors has any interest in any contract entered into by ALA, other than as noted in section 7.13(b) of this Target's Statement.

7.16 Forecast financial information for TSP

TSP has carefully considered whether a reasonable basis exists to produce reliable and meaningful forecast financial information for inclusion in this Target's Statement. Given TSP is in the early stages of its development, the TSP Directors have concluded that, as at the date of this Target's Statement, it would be misleading to provide forecast financial information for TSP as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable laws.

8. Additional Information

8.1 Bid Implementation Agreement

On 18 January 2016, TSP entered into a Bid Implementation Agreement with ALA that set out the terms and conditions upon which the parties proposed to implement the Offer.

A summary of the Bid Implementation Agreement is set out below.

(a) Joint promotion

TSP has agreed to support the Offer during the Offer Period and to jointly promote the Offer with ALA in the absence of a Superior Proposal.

(b) Exclusivity

The Bid Implementation Agreement includes certain exclusivity arrangements. In summary, during the Exclusivity Period each of TSP and ALA must:

- (i) not directly or indirectly solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any person; or
- (ii) disclose or otherwise provide any material non-public information about the business or affairs of TSP or its related bodies corporate to any person.

(c) Break fees

TSP must pay ALA \$300,000 (plus GST, if applicable) (**Break Fee**) in certain circumstances, including where ALA terminates the Bid Implementation Agreement as a result of the TSP Directors receiving a Superior Proposal and withdrawing or modifying their recommendation in relation to the Offer and concurrently approving or recommending the Superior Proposal other than as a result of:

- (i) a breach by ALA of certain obligations under the Bid Implementation Agreement;
- (ii) the occurrence of a material adverse change in respect of ALA that is material in the context of the Offer; or
- (iii) the ALA Shareholders failing to approve the Essential Resolutions.

TSP must also pay the Break Fee to ALA if:

- (i) ALA terminates the Bid Implementation Agreement as a result of:
 - (A) TSP being in material breach of the Bid Implementation Agreement and failing to remedy that breach within 5 Business Days of receiving notice from ALA of the details of the breach; or
 - (B) any of the representations or warranties given by TSP under clause 10 of the Bid Implementation Agreement become untrue in any material respect.

Clause 12.1 of the Bid Implementation Agreement sets out a full list of circumstances in which this reimbursement amount is payable by TSP.

(d) Termination

The Bid Implementation Agreement contains customary termination provisions.

The full terms and conditions of the Bid Implementation Agreement are attached to ALA's announcement of 20 January 2016.

8.2 Shareholders' Deed and Suspension Deed

- (a) As at the date of this Target's Statement, all TSP Shareholders have signed or otherwise agreed to be bound by the terms of the Shareholders' Deed. Relevantly, the Shareholders' Deed includes provisions relating to the composition of the TSP Board and restrictions on the disposal of TSP Shares, including pre-emptive rights provisions. The Shareholders' Deed also includes various other provisions typically found in shareholders' agreements for unlisted companies.
- (b) All parties to the Shareholders' Deed entered into the Suspension Deed in order to facilitate the Offer. Pursuant to the Suspension Deed all parties to the Shareholders' Deed agreed that the Shareholders' Deed's terms would cease to have any effect, and no party would be able to enforce any rights under it, during the period from execution of the Bid Implementation Agreement (being 20 January 2016) until the earlier of:
 - (i) 31 May 2016; and
 - (ii) the Company receiving notification that ALA does not intend to proceed with the Offer.
- (c) As at the date of this Target's Statement, the Suspension Deed remains in effect.
- (d) According to the Suspension Deed, the Shareholders' Deed will terminate and cease to have any effect upon ALA notifying the Company that it has received Acceptance Forms for at least 90% of the TSP Shares. Accordingly, the Shareholders' Deed will terminate automatically upon satisfaction of the Minimum Acceptance Condition.
- (e) In the event that the Offer does not Complete by 31 May 2016, or if before that date ALA notifies the Company in accordance with the terms of the Offer that it no longer intends to proceed with the Offer, then (unless the parties to the Suspension Deed agree otherwise) the Shareholders' Deed will again come into effect and TSP Shareholders and the Company would again become bound by its terms.

8.3 Consents

- (a) The following persons have given and have not, before the date of issue of this Target's Statement, withdrawn their consent to be named in this Target's Statement in the form and context in which they are named:
 - (i) McCabes Lawyers Pty Ltd as Australian legal adviser to TSP;
 - (ii) each Director.

- (b) Each person named above as having given its consent to being named in this Target's Statement:
 - (i) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.
- (c) As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by ALA with ASIC or given to ASX by ALA. Pursuant to the Class Order, the consent of ALA is not required for the inclusion of such statements in this Target's Statement.
- (d) Any TSP Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting TSP's Company Secretary, Simone Lander, on (02) 8001 6294.
- (e) As permitted by ASIC Class Order 13/523, this Target's Statement may include or be accompanied by certain statements:
 - (i) fairly representing a statement by an official person; or
 - (ii) from a public official document or a published book, journal or comparable publication.

8.4 Transaction costs

The Offer has resulted in TSP incurring expenses that would not otherwise arise in the current financial year. Expenses include fees payable to advisors to respond to the Offer and other transaction related expenses. TSP notes that such expenses will have a negative impact on its cash position, which is estimated by the TSP Directors to be up to approximately \$427,000.

8.5 No other material information

- (a) This Target's Statement is required to include all the information that TSP Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:
 - (i) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement;
 - (ii) only if the information is known to any TSP Director.
- (b) The TSP Directors are of the opinion that the information that TSP Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:
 - (i) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
 - (ii) the information contained in the documents lodged by TSP with ASIC before the date of this Target's Statement; and

- (iii) the information contained in this Target's Statement.
- (c) The TSP Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the TSP Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing in any way any statements contained in it. In deciding what information should be included in this Target's Statement, the TSP Directors have had regard to:
 - (i) the terms of the TSP Shares;
 - (ii) matters that TSP Shareholders may reasonably be expected to know;
 - (iii) the fact that certain matters may reasonably be expected to be known to TSP Shareholders' professional advisors; and
 - (iv) the time available to TSP to prepare this Target's Statement.

9. Glossary

9.1 Definitions

The meanings of the terms used in this Target's Statement are set out below.

Term	Definition
Acceptance Form	has the meaning given to it in the Bidder's Statement.
ALA	Applabs Limited ACN 139 977 772.
ALA Board	board of directors of ALA.
ALA Director	a director of ALA.
ALA Option	an option to acquire an ALA Share.
ALA Securities	the securities on issue in the capital of ALA.
ALA Shareholder	a holder of ALA Shares.
ALA Shares	fully paid ordinary shares of ALA.
ASIC	Australian Securities and Investments Commission.
Associates	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Target's Statement.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.
ASX Listing Rules	the official listing rules of ASX, as amended from time to time.
Bid Implementation Agreement	the bid implementation agreement dated 18 December 2015 between ALA and TSP.
Bid Period	has the meaning given to that term in the Corporations Act.
Bidder	ALA Technologies Ltd ACN 139 977 772.
Bidder's Statement	the bidder's statement of ALA dated 16 March 2016.
Business Day	a day that is not a Saturday, Sunday or any other day which is a public holiday or bank holiday in Perth, Western Australia.
Capital Raising	the raising to be undertaken by ALA pursuant to the Prospectus to raise a minimum of \$1,000 in connection with its application for Re-admission.
Closing Date	the closing date of the Offer.

Completion	completion of the issue of the Offer Consideration to TSP Shareholders that deliver an Acceptance Form.
Conditions	the conditions of the Offer as detailed in section 8 of Annexure A of the Bidder's Statement.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Essential Conditions	in respect of the Offer, the conditions set out in sections 8(a)(i) to 8(a)(vi) of Annexure A of the Bidder's Statement.
Essential Resolutions	<p>resolutions in the Notice of Meeting, being resolutions for approval of the following matters:</p> <ul style="list-style-type: none"> (a) change to nature and scale of activities; (b) authority to issue the ALA Shares under the Prospectus Offer; (c) authority to change the name of ALA to "Search Party (International) Limited"; (d) appointment of Mr Benjamin Hutt as a director; (e) appointment of Mr Paul Bird as a director; (f) appointment of Mr Trevor Loewensohn as a director; (g) authority to issue shares and options to GTT Ventures Pty Ltd or its nominees; (h) ratification for past issues of ALA Shares by ALA for the purposes of replenishing the ALA's placement capacity under ASX Listing Rule 7.1 and/or 7.1A (if applicable); and (i) approval pursuant to any other resolution that ALA reasonably requires, in consultation with TSP, for the purpose of Completing the Offer.
Exclusivity Period	the period from 19 January 2016 until the end of the Offer Period or such other date as ALA and TSP agree in writing.
Foreign Shareholder	a TSP Shareholder whose address as shown on the TSP member's register is in a jurisdiction other than Australia.
General Meeting	the meeting of ALA Shareholders to be held on or about 16 May 2016.
Merged Entity	ALA and its subsidiaries following the acquisition by ALA of all, or a portion of TSP Securities on issue.
Minimum Acceptance Condition	the condition to the Offer set out in section 8(a)(iii) of Annexure A to the Bidder's Statement.
Notice of Meeting	the Notice of Meeting to be issued by ALA to ALA Shareholders on or about 15 April 2016.

Notice of Status of Conditions	has the meaning given to that term in section 3.6 of this Target's Statement.
Offer	the off market offer by ALA to acquire all TSP Shares in consideration for 198.1 ALA Shares for every TSP Share held, on the terms and conditions set out in the Bidder's Statement.
Offer Consideration	198.1 ALA Shares as consideration for every TSP Share held.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with the Bidder's Statement.
Official List	the official list of entities that ASX has admitted and not removed.
Official Quotation	official quotation of a security on a market operated by ASX.
Option Condition	the condition to the Offer set out in section 8(a)(v) of Annexure A to the Bidder's Statement.
Prescribed Occurrence	those occurrences listed in section 652C of the Corporations Act.
Prospectus	the disclosure document proposed to be prepared by ALA in respect of the Prospectus Offer.
Prospectus Offer	the public offer under the Prospectus, of 37,049,969 ALA Shares each at an issue price of \$0.10 to raise \$3,704,996.90.
Re-admission	ALA's re-admission to the Official List of ASX following its application for re-admission under Chapters 1 & 2 of the ASX Listing Rules.
Record Date	the date set by ALA under section 633(2) of the Corporations Act, being 5:00pm (EST) on 16 March 2016.
Related Body Corporate	has the meaning given in Section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Shareholders' Deed	shareholders' deed in relation to the Company dated 10 July 2012.
Superior Proposal	<p>a proposal or offer by any person with respect to any transaction (by purchase, scheme of arrangement, takeover bid or otherwise) that may result in a person (or group of persons) other than ALA, directly or indirectly:</p> <ul style="list-style-type: none"> (a) acquiring voting power of more than 50% of TSP; (b) acquiring an interest in all or a substantial part of the assets of or business of TSP;

- (c) otherwise acquiring control of TSP (within the meaning of section 50AA of the Corporations Act or otherwise); or
- (d) merging or amalgamating with TSP or any subsidiary of TSP, that the TSP Board has determined, in good faith, after consultation with their external legal and financial advisers, is:
 - (i) reasonably capable of being valued and completed, taking into account all aspects of the proposal or offer (including accounting, legal, financial, and regulatory aspects) and the person making the proposal or offer; and
 - (ii) if consummated in accordance with its terms, more favourable to TSP Shareholders (as a whole) than the Offer, taking into account all the terms and conditions of the proposal or offer.

Suspension Deed	the suspension deed dated on or about 23 December 2015 between TSP and certain TSP Shareholders in relation to the Shareholders' Deed.
Target's Statement	this document, being the statement of TSP under Part 6.5 Division 3 of the Corporations Act.
TSP or the Company or Search Party	The Search Party Ltd ACN 149 006 913.
TSP Board	board of directors of TSP.
TSP Director	a director of TSP.
TSP Option (A Class)	an option to acquire a TSP Share for \$215.20 and having an expiry date of 10 July 2022.
TSP Option (ESOP)	an option to acquire a TSP Share for \$11.88, issued under the TSP Employee Share Option Plan.
TSP Optionholder (ESOP)	a registered holder of TSP Options (ESOP).
TSP Share	a fully paid ordinary share of TSP.
TSP Shareholder	a registered holder of TSP Shares.
Unconditional	in relation to the Offer, means that all Conditions have been fulfilled or, if able to be waived, have been waived by ALA.

9.2 Interpretation

In this Target's Statement a reference to:

- (a) the singular includes the plural and the plural includes the singular;
- (b) a statute, ordinance, code or other law includes subordinate legislation (including regulations) and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

- (c) a person or entity includes an individual, a firm, a body corporate, a trust, an unincorporated association or an authority;
- (d) a person includes their legal personal representatives (including executors), administrators, successors, substitutes (including by way of novation) and permitted assigns;
- (e) a group of persons is a reference to any two or more of them taken together and to each of them individually;
- (f) an entity which has been reconstituted or merged means the body as reconstituted or merged, and to an entity which has ceased to exist where its functions have been substantially taken over by another body, means that other body;
- (g) \$ of AUD, means Australian dollars; and
- (h) a reference to a day or a month means a calendar day or calendar month.

10. Authorisation

This Target's Statement has been approved by a resolution passed by the TSP Directors. All of the TSP Directors voted in favour of that resolution.

Signed for and on behalf of The Search Party Ltd ACN 149 006 913.

17 March 2016

A handwritten signature in black ink, appearing to read 'Trevor Loewensohn', with a stylized flourish at the end.

Trevor Loewensohn
Chairman

Corporate Directory

Directors

Mr Benjamin Hutt – Managing Director and Chief Executive Officer

Mr Joshua Rogers – Non-Executive Director

Mr Paul Bird – Non-Executive Director

Mr Stuart Gatenby – Executive Director and Chief Technology Officer

Mr Trevor Loewensohn – Chairman

Registered Office

Level 1, 79 Commonwealth Street

Surry Hills NSW 2010

Lawyers

McCabes Lawyers Pty Ltd

Level 38, 19 Martin Place

Sydney NSW 2000

Website

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