

appetise

Appetise (Holdings) Limited Replacement Prospectus

ACN 619 564 699
www.appetise.com

Appetise (Holdings) Limited

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Replacement Prospectus

For an offer of 24,000,000 Shares at an issue price of \$0.20 per Share to raise \$4,800,000 (Offer). Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted under the Offer.

Lead Manager: Beer & Co Pty Ltd shall provide the services of Lead Manager in connection with the Offer. Beer & Co Pty Ltd's wholly owned subsidiary company, Melbourne Venture Securities Pty Ltd (ACN 102 538 394) holds Australian Financial Services Licence Number 224313.

The logo for Beer & Co. is a dark blue rectangle with a white border. Inside the rectangle, the text "Beer & Co." is written in a white, sans-serif font.

Important Information

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



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1. Corporate Directory

Directors

Simon Smith
Non-Executive Chairman

Keith Edelman
Non-Executive Director

Robert Clisdell
Non-Executive Director

Management

Konstantine Karampatsos
Chief Executive Officer

Richard Hateley
Chief Financial Officer

Petre Norton
Sole Director of Appetise Limited

Anand Sundaraj
Company Secretary

Registered Office

Level 29, 201 Elizabeth Street
Sydney NSW 2000

Telephone: + 61 2 8072 1400
Facsimile: +61 2 8072 1440

Email: investors@appetise.com
Website: www.appetise.com

Share Registry*

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone: +61 1800 079 367
Facsimile: +61 2 9287 0303

Proposed ASX Codes

ATZ – Shares

Investigating Accountant & Auditor of the Company

HLB Mann Judd Corporate (NSW) Pty Ltd
Level 19, 207 Kent Street
Sydney NSW 2000

Solicitors in Australia

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

Auditor of Appetise Limited (UK)

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors in the United Kingdom

Taylor Wessing LLP
5 New Street Square
London EC4A 3TW

Lead Manager

Beer & Co Pty Ltd
(AFSL Number 224 313)
Level 2 South, Bank House
11-19 Bank Place
Melbourne VIC 3000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.



2. Important Notice

This is a replacement prospectus dated 21 September 2017 which replaces a prospectus dated 7 September 2017. This replacement prospectus was lodged with the ASIC on 21 September 2017. For the purposes of this document, this replacement prospectus will be referred to as “this Prospectus”.

The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

2.1 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.2 Financial information and amounts

All financial amounts contained in this Prospectus are expressed in Australian Dollars (\$), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding. The Historical Financial Information included in this Prospectus has been prepared and presented in accordance with UK Generally Accepted Accounting Practice (**UK GAAP**) and is expressed in Australian Dollars, except where otherwise stated.

2.

Important Notice

2.3 Currency conversions

Where an amount is expressed in this Prospectus in Australian Dollars and British pound sterling, the conversion is based on an indicative exchange rate (being A\$1.6324 = £1.00). The amount when expressed in Australian Dollars or British pound sterling may change as a result of fluctuations in the exchange rate between those currencies.

2.4 Web Site – On-line Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.appetise.com. If you are accessing the on-line version of this Prospectus, you must be an Australian resident or a qualified investor resident in the United Kingdom and must only access this Prospectus from within Australia (or the United Kingdom, as the case may be). In particular, the on-line version of this Prospectus may not be accessed within the United States.

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

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

2.5 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.6 Forwarding-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 3 and 8 of this Prospectus.

2.7 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.8 Replacement Prospectus

The differences between this Prospectus and the original prospectus dated 7 September 2017 are:

- a. additional disclosure in relation to the Company's allocation policy for the Offer at Section 5.5;
- b. additional detail in the biography of the Company's Chief Financial Officer at Sections 3.15 and 7.1;
- c. additional detail in respect of Appetise's intellectual property in Section 8.2(l);
- d. additional detail in respect of the restaurant agreements which Appetise is a party to at Section 10.3; and
- e. insertion of footnotes detailing the source document for certain statements throughout the document.



3. Investment Overview

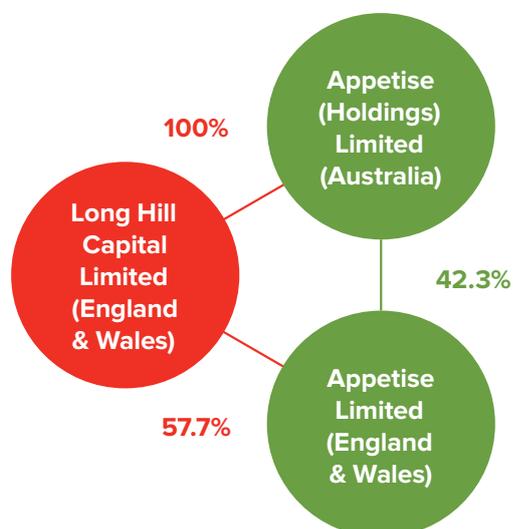
This Section is a summary only and not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.1 The Company

Appetise (Holdings) Limited (the **Company**) was incorporated on 6 June 2017 for the primary purpose of acquiring Appetise Limited (a company incorporated in England and Wales) (**Appetise**), as well as managing and operating Appetise's business.

Appetise was founded in 2008 and is a UK-based and UK-focused online and mobile application takeaway and delivery restaurant marketplace (for convenience, referred to elsewhere in this Prospectus as an "online takeaway marketplace").

The Company owns 42.3% of Appetise directly, and 57.7% indirectly, through the Company's 100% ownership of Long Hill Capital Limited (a company incorporated in England and Wales) (**Holding Company**). The Company's corporate group structure at the date of this Prospectus is set out below:



The sole shareholder of the Company at the date of this Prospectus is Long Hill Capital III, LLC, a limited liability company registered in Delaware, USA (**Long Hill**) which holds 45,000,001 Shares in the capital of the Company.

Appetise owns and operates an online takeaway marketplace in the United Kingdom. Takeaway and delivery restaurants contract with Appetise to join its platform and have their menus made accessible to consumers. Consumers access Appetise's website and apps, which allow them to view takeaway and delivery restaurants serving their locations and offering a range of cuisines. The website and apps provide an ordering and payment platform to enable consumers to choose their food and pay online. Appetise processes the orders and payments on behalf of the restaurants and charges the restaurants a commission. The restaurants take responsibility for preparing and delivering the food. Appetise has no involvement in the logistics of food preparation or delivery and is purely an online intermediary.

3. Investment Overview

Appetise has approximately 90,000 registered customer accounts and approximately 400 restaurant partners on its platform. Appetise's registered customers and restaurants are spread throughout the United Kingdom, giving it a national footprint in the United Kingdom; however, historically its business has been particularly focused on the West Midlands and South West regions of England. In the financial year to 31 March 2016, Appetise's platform processed \$901,322 worth of gross orders, generating net revenues of \$91,715 and a loss of \$20,288 for Appetise. In the financial year to 31 March 2017, Appetise's platform processed \$529,167 worth of gross orders, generating net revenues of \$49,172 and a loss of \$1,157,258 for Appetise.

The effect of the Offer is that, upon the Company obtaining the Listing Approval, raising the minimum subscription and issuing the Securities under the Offer, Long Hill will own approximately 65.22% of the Shares of the Company (or, in the event full oversubscriptions are raised under the Offer, approximately 56.96% of the Shares of the Company).

3.2 Business Model

Appetise has no involvement, and does not incur costs, in the logistics of food preparation or delivery. It derives its revenue from commissions charged to restaurants on the value of orders placed through Appetise's platform, which are currently typically set at 10% of the value of the order.

The commission rates charged by Appetise to its restaurant customers are generally lower than its key competitors' commission rates, with the two largest players in the sector charging commissions of up to 14% on the value of orders. Also, Appetise does not currently charge restaurants a joining fee, compared to the largest player in the sector charging as much as up to £699 (approximately \$1,140) per restaurant. With no exclusivity arrangements between restaurants and marketplace platform providers, Appetise has been able to exploit this price competitiveness of its platform. For instance, in Birmingham, one of the areas of current focus for Appetise, it doubled the number of restaurants on its platform in the first three months of 2017.

Unlike the two largest market participants, Appetise does not charge consumers a fee when they pay by credit or debit card. Please see Section 6.4 below for additional information on the status of order fees in the industry.

Appetise also offers a loyalty points discount scheme, which effectively makes purchasing takeaway food through Appetise cheaper than direct purchases from its restaurant partners. Appetise intends to grow consumer demand for its platform by expanding its marketing efforts and exploiting its price competitiveness. Because of the limited capital expenditure involved in the business, the Directors believe that the business is scalable with limited capital investment.

3.3 The Offer

The Company invites applications for 24,000,000 Shares at an issue price of \$0.20 per Share to raise \$4,800,000. Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted. As such, the maximum amount that can be raised under the Offer is \$6,800,000. A loyalty Option entitlement issue is also expected to be undertaken by the Company. See Section 3.6 below for further information. The key information relating to the Offer and references to further details are set out below.

3.

Investment Overview

3.4 The Objectives and Purpose of the Offer

The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the official list of ASX and position the Company to seek to achieve the objectives set out below.

The Company's main objectives on completion of the Offer are to:

- expand Appetise's sales team, in order to educate the takeaway and delivery restaurant market about the advantages of partnering with Appetise and substantially increase the number of restaurant partners on Appetise's platform,
- undertake marketing campaigns educating the consumer market about Appetise and the advantages of Appetise to consumers, in order to substantially increase the number of consumers utilising the Appetise platform,
- make a further investment in the development of Appetise's platform and systems in order to provide its restaurant partners and consumer users with a better experience and increase the rate of adoption and retention of Appetise by such users,
- utilise the above methods, as well as a public relations campaign, to increase awareness of Appetise's brand,
- explore partnerships with other United Kingdom and foreign food and beverage market participants, and
- establish a publicly-traded on-line food and beverage delivery company with sufficient resources for quick development and response to market requirements.

3.5 Indicative Timetable*

Lodgement of Prospectus with the ASIC	21 September 2017
Opening Date	22 September 2017
Closing Date	27 October 2017
Despatch of holding statements	3 November 2017
Expected date for quotation on ASX	14 November 2017

* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.



3. Investment Overview

3.6 Capital Structure

The capital structure of the Company following completion of the Offer (assuming minimum subscription and full oversubscriptions) is summarised below¹:

Shares ²	Minimum Subscription Number	Full Oversubscription Number
Shares currently on issue ³	45,000,001	45,000,001
Shares to be issued pursuant to the Offer	24,000,000	34,000,000
Total Shares on completion of the Offer	69,000,001	79,000,001

Options	Minimum Subscription Number	Full Oversubscription Number
Options currently on issue	nil	nil
Options to be issued to Directors and Management ⁴	7,622,600	7,622,600
Total Options on completion of the Offer	7,622,600	7,622,600

¹ Refer to the Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

² The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.

³ The Shares currently on issue were issued (or transferred) to Long Hill as follows: one Share on the date of incorporation of the Company and 45,000,000 Shares as consideration for the Company's acquisition of both the Holding Company and the Company's direct interest in Appetise.

⁴ Each Option will be unquoted and is exercisable at 30 cents on or before the third anniversary of the date of its vesting. Refer to Section 3.17 for details of the vesting conditions attached to such Options to be issued to Directors and management and to Section 11.3 for the full terms and conditions of these Options.

Non-renounceable Entitlement Issue of Options after ASX Listing (loyalty Options)

Further, the Company intends that all Shareholders of the Company registered on a record date falling approximately three months after the date the Company is admitted to the Official List (exact date to be confirmed) will be entitled to participate in a proposed non-renounceable entitlement issue of Options on the basis of one loyalty Option for every two Shares held. It is proposed that the loyalty Options will be issued for free with an exercise price of \$0.22 each and an expiry date two years after issue. It is proposed that application will be made for the proposed loyalty Options to be quoted on the ASX.

3. Investment Overview

3.7 Key Investment Highlights

- Appetise operates in a substantial and growing market. Specifically:
 - the global food delivery market was estimated to be \$124 billion in November 2016¹,
 - the UK takeaway market is currently estimated at \$10.7 billion² and expected to grow to \$12.8 billion by 2020³, and
 - telephone remains the biggest competitor to online platforms with a minority of orders in the UK still being placed online; however, the Directors expect online penetration to increase as takeaway orders migrate from the telephone to online.
- The Directors believe Appetise is in a competitive position. Specifically:
 - Appetise charges restaurants commissions of up to only 10% and no joining fees, compared to up to 14% on the value of orders and £699 (approximately \$1,140) respectively for the market leader Just Eat plc (LSE:JE) (**Just Eat**),
 - Appetise does not charge customers a card fee, compared to £0.50 (approximately \$0.80) per order currently charged by Just Eat,
 - Appetise is the only national online takeaway marketplace that, as of the time of the lodgement of this Prospectus, enabled its customers to view the United Kingdom Food Standards Agency hygiene ratings awarded to its restaurant partners, and refine the restaurant search results by this rating,
 - there is no platform exclusivity among restaurants – restaurants can and do participate in multiple platforms,
 - Appetise's is an easily scalable business model distinct from the typically low margin and high capital expenditure logistics and delivery businesses,
 - despite a lack of investment and professional management previously, Appetise processed \$529,167 in gross order volumes (and received \$49,172 in commissions) in the financial year to 31 March 2017, and
 - despite Appetise's small size, following Just Eat's acquisition of Hungryhouse Holdings Limited (**Hungryhouse**) (the second largest pureplay online takeaway marketplace in the United Kingdom), announced in December 2016 (and assuming that this acquisition receives the relevant regulatory approval and closes), Appetise will be one of the few online takeaway marketplaces with a national footprint in the United Kingdom.
- The Company seeks to grow the Appetise business in the United Kingdom and take market share from the limited number of larger market participants.
- The managers and existing shareholder of Appetise have established a meaningful track record:
 - in May 2016, Appetise was acquired by a fund managed by the same US institutional investor that is the largest shareholder in DroneShield Limited (ASX:DRO), and
 - a new CEO with substantial industry experience was appointed in March 2017, and non-executive board members appointed in 2017 include the former CEO of eBay Australia and New Zealand, a former Managing Director of Arsenal Holdings plc (OFEX:AFC) who is also currently a director of several substantial publicly-traded UK companies.
 - It is intended that loyalty Options will be offered on a 1 for 2 basis to all Shareholders of the Company registered on a record date falling approximately 3 months after the date the Company is admitted to the Official List of ASX (exact date to be confirmed). It is currently proposed that each loyalty Option will be issued for free and will have an exercise price of \$0.22 and an expiry date two years from the date of issue.

¹ McKinsey & Co, The Changing Market for Food Delivery, November 2016
<http://www.mckinsey.com/industries/high-tech/our-insights/the-changing-market-for-food-delivery>

² Food Delivery Tech: Battle for the European Consumer, Dealroom, March 2017 page 17
<https://blog.dealroom.co/wp-content/uploads/2017/03/Food-Tech-Prez-FINAL.pdf>

³ The Guardian, Food takeaway sales forecast to hit £8bn with smartphone boost, 14 October 2015
<https://www.theguardian.com/business/2015/oct/14/takeaway-food-orders-soar-in-uk-as-home-diners-order-online>

3. Investment Overview

3.8 Key Risks

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

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 8.

a. Limited history

The Company was only recently incorporated and has limited operating history and limited historical financial performance. Further, Appetise has operated at a loss for the previous three financial years (being a combined loss of approximately \$1,183,099 for the period). Please refer to the financial information in Section 9 for further details.

No assurance can be given that the Company will maintain or improve commercial viability through Appetise's business or otherwise. Until the Company is able to realise substantial value from the Appetise platform, it is likely to incur ongoing operating losses. Achievement of the Company's objectives will depend on the Board's and the executive team's ability to successfully implement its development and growth strategy. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer – refer to the risk factor in Section 8.2(d) for further details.

b. Competition risk

The market in which Appetise participates is competitive and prone to rapid change. Consumers have many choices for takeaway food, including other online takeaway marketplaces, independent restaurants and restaurant chains offering online and mobile application ordering services, as well as restaurants offering telephone-based and walk-in takeaway food services. Refer to Section 8.2(a) for further details.

c. Network effect risk

Appetise's strategy is not predicated on overtaking the larger market participants but rather is focused on carving out a meaningful market niche in the growing online takeaway marketplace market. However, the "network effect" enjoyed by the larger competitors like Just Eat may hamper this strategy. Specifically, the larger competitors' position in the market is protected and promoted by the fact that they have large consumer bases which in absolute terms are orders of magnitude larger than those of Appetise. In turn, this promotes increased order frequency for the larger competitors and potentially makes their platforms more attractive to new consumers and restaurants. A smaller market participant like Appetise would need to acquire a disproportionate number of new consumers in order to carve out a meaningful niche in the market.

d. Performance risk

Maintaining and enhancing the numbers of consumer visits to and orders placed on Appetise's platform is critical to the Company's success. Factors important to maintaining and increasing the number of orders on the platform include Appetise's ability to maintain a convenient, efficient and reliable user experience for both consumers and takeaway restaurants, attract new consumers and takeaway restaurants to the platform at an acceptable customer and restaurant acquisition cost, and manage new and existing technologies and sales channels, including mobile devices.

3. Investment Overview

3.8 Key Risks continued

Failure to adequately manage any of these factors could negatively impact the Company's ability to attract and retain consumers and takeaway and delivery restaurants and maintain or increase the number of orders received, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There is no assurance that the Company will achieve profitability or maintain financial viability following the Offer. Refer to Section 8.2(b) for further details.

e. Consumer acceptance risk

The online purchase of takeaway food is relatively new and rapidly evolving. The Company's success will depend on the willingness of consumers to continue, and increase, on a regular basis, (1) their use of online services, (2) their use of online takeaway marketplaces in particular, and (3) their use, specifically, of Appetise's platform within the online takeaway marketplace segment, as a method of buying takeaway food, rather than using telephone-based and walk-in services or other online options provided by restaurants. The Company will not be successful if it is unable to secure a critical mass of consumers, utilizing Appetise's platform on a repeat basis, for Appetise's platform.

f. Restaurant acceptance risk

The Company's success will also depend on the willingness of takeaway and delivery restaurants to join its network as a method of attracting consumers and processing orders efficiently, rather than (1) relying on other online takeaway marketplaces, (2) creating their own websites and mobile applications, and/or (3) relying solely on telephone orders or walk-in services. If the number of takeaway restaurants that sign up to, and remain on, the Appetise platform does not increase substantially, the Company will not be able to compete successfully.

g. Technology risk

The Company's success depends on the quality and user-friendliness of Appetise's website and its mobile applications, as well as on its ability to store, retrieve, process and manage substantial amounts of information. Therefore, to succeed, the Company will need to research, develop, design, test, market and support substantial enhancements to its existing software platform, on a timely and cost-effective basis. The Company cannot guarantee that it will be able to conduct such activities at the requisite levels or in a timely fashion. At the same time, services and technologies developed by others may render the Company's services and systems obsolete or non-competitive. In particular, the Company may be unable to keep pace with developments in mobile applications and other trends in the e-commerce industry relative to its competitors, such as the development of predictive software and variants of artificial intelligence.

h. Reputational risks

Developing and maintaining the reputation of, and value associated with, the Appetise brand is of central importance to the success of the Company. Brand identity is a critical factor in retaining existing and attracting new consumers and takeaway restaurants. The Company is highly reliant on direct traffic, "organic" (i.e., listings not dependent on advertising or other payments) and paid internet searches, its presence on social media, and references to it on social media, which all depend on the strength of the Appetise brand.

Unfavourable publicity concerning the Company, Appetise, the takeaway restaurants on its platform (including any violation of food hygiene or food labelling regulations by a takeaway restaurant on the platform, as well as systemic problems in the takeaway food industry, such as food contamination or the industry overall), or the Company's or Appetise's respective Boards, officers or employees, will damage the Company's reputation and the Appetise brand, and will thus adversely affect Appetise's ability to generate revenue.

3. Investment Overview

i. Concentration of ownership and dilution risk

The Company currently has 45,000,001 Shares on issue, meaning that the maximum number of Shares issued under this Offer will represent up to approximately 43.04% of the issued Share capital of the Company on completion of the Offer (assuming the full oversubscription is raised). Further, assuming only the minimum subscription is raised under the Offer, the number of Shares issued will represent approximately only 34.78% of the issued Share capital of the Company on completion of the Offer.

There will therefore be a concentration of ownership within the existing shareholder of the Company on completion of the Offer. This increases the risk of participating in the Offer in that the existing shareholder will have the ability to exert substantial influence over the Company (including in relation to appointments to, and dismissals from, the Company's board, the Company's dividend policy, the Company's capital and debt raisings, amendments to the Company's governing documents, and the Company's mergers and acquisitions activities, with the Company both as an acquirer and a target). In particular, the existing shareholder may delay, postpone or prevent transactions that might be advantageous for investors or accept transactions that may be disadvantageous to investors. Further, the concentration of ownership could adversely affect the trading volume and market price of the Shares.

j. Liquidity

As noted above, the Company has 45,000,001 Shares already on issue. All of these Shares are likely to be classified by the ASX as restricted securities and be placed into escrow. Please refer to Section 3.11 for further details. Some investors may consider that there is an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

There is currently no public market through which Shares may be sold. On completion of the Offer, there can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase or not decrease. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares and may prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offer. It may also affect the prevailing market price at which the Shareholders are able to sell their Shares. This may result in Shareholders who acquire Shares under the Offer receiving a market price for their Shares that is less or more than the Offer price.

k. Reliance on Key Personnel Risk

A failure to attract and retain executive, business development, technical and other key personnel could reduce the Company's revenues and operational effectiveness. There is a continuing demand for relevant qualified personnel, and the Company believes that its future growth and success will depend upon its ability to attract, train and retain such personnel. Competition for personnel in the Company's industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. An inability to attract or maintain a sufficient number of requisite personnel could have a material adverse effect on the Company's performance or on the Company's ability to capitalise on market opportunities.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 8 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.

3. Investment Overview

3.9 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

Funds available	Minimum Subscription (\$4,800,000)	Percentage of Funds	Full Oversubscriptions (\$6,800,000)	Percentage of Funds
Existing cash reserves ¹	\$440,000	8%	\$440,000	6%
Funds raised from the Offer	\$4,800,000	92%	\$6,800,000	94%
Total	\$5,240,000	100%	\$7,240,000	100%
Allocation of funds				
Expenses of the Offer ²	\$750,000	14%	\$930,000	13%
Executive, Head Office and Overheads	\$1,550,000	30%	\$1,650,000	23%
Marketing	\$2,150,000	41%	\$3,150,000	44%
Expansion of Sales Staff	\$200,000	4%	\$540,000	7%
Additional Software & Platform Development	\$300,000	6%	\$600,000	8%
Working capital	\$290,000	5%	\$370,000	5%
Total	\$5,240,000	100%	\$7,240,000	100%

¹ As at 6 September 2017. Refer to the Financial Information and Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

² Refer to Section 11.8 of this Prospectus for further details.

As noted above, the Company intends to use approximately \$2,150,000 of the capital raised under the Offer (assuming minimum subscription), or approximately \$3,150,000 (assuming full oversubscription), to conduct a range of marketing activities aimed at increasing the number of consumers utilising the Appetise platform. Such activities will include pay-per-click marketing, advertising, public relations, production and placement of hard copy marketing materials, discount campaigns, industry influencer marketing and offline marketing campaigns. Further the Company intends to use approximately \$200,000 (assuming minimum subscription) or approximately \$540,000 (assuming full oversubscription) to expand its sales staff with a particular focus on sales staff focusing on increasing the number of restaurant partners on the platform.

The Company intends to use approximately \$300,000 of the capital raised under the Offer (assuming minimum subscription), or approximately \$600,000 (assuming full oversubscription) to further develop Appetise's proprietary technology and adapt the Appetise software and platform to meet customer demands as they arise.

3. Investment Overview

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the minimum subscription is raised).

It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding.

In the event the Company raises more than the minimum subscription of \$4,800,000, the additional funds raised will be first applied towards increased expenses of the Offer, then towards marketing, then towards additional software and platform development and then to expansion of sales staff and executive, head office and overheads costs. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances (including the need to adapt to a changing competitive environment, and the level of demand for the Appetise platform) have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The use of further debt or equity funding will be considered by the Board where it is appropriate to expand sales, marketing, development and operations efforts, accelerate platform or software development or capitalise on further opportunities.

3.10 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offer (assuming minimum subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Long Hill Capital III, LLC ¹	45,000,001	-	100	100

¹ Long Hill Capital III, LLC and/or its related parties may participate in the Offer.

On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	Total Shares	Total Options	Diluted Shares	% undiluted	% diluted
Long Hill Capital III, LLC ¹	45,000,001	nil	69,000,001	7,622,600	76,622,601	65.22	58.73

¹ Long Hill Capital III, LLC and/or its related parties may participate in the Offer.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3. Investment Overview

3.11 Restricted Securities

Subject to the Company being admitted to the Official List, certain Shares and Options will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 45,000,001 Shares and 7,622,600 Options will be subject to escrow as follows:

- a. 1 Share issued on the incorporation of the Company for 24 months from the date of Official Quotation (held by Long Hill, the sole shareholder of the Company at the date of this Prospectus);
- b. 45,000,000 Shares from the date of Official Quotation (issued (or transferred) to Long Hill as consideration for the Company's acquisition of both the Holding Company and the Company's direct interest in Appetise); and
- c. 2,500,000 Options for 24 months from the date of Official Quotation (held by Directors); and
- d. 5,122,600 Options for 12 months from the date of Official Quotation (held by management).

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

3.12 Financial Information

The Company was only recently incorporated (6 June 2017) and has no operating history and limited historical financial activity.

Contained in the financial information in Section 9 is Appetise's historical income statements and historical statement of cash flows for the financial years ending 31 March 2015, 31 March 2016 and 31 March 2017, for the 12 months ended 31 March 2017 and historical statements of financial position as at 31 March 2015, 31 March 2016 and 31 March 2017. Appetise's historic financial information has been extracted from its audited statutory financial statements for the relevant periods.

Section 9 also includes the pro forma historical statement of financial position as at 31 March 2017 to provide investors with a summary of the Company's consolidated corporate group's historical financial information assuming the Company had existed at that date, and the Holding Company (and therefore, indirectly, the Holding Company's stake in Appetise) and the Company's stake in Appetise, had been owned by the Company at that date.

This Prospectus includes financial information as contained in the audited annual financial statements of Appetise for the financial periods ended 31 March 2015, 31 March 2016 and 31 March 2017 (together, the **Included Documents**).

The Included Documents were lodged with ASIC on the date of this Prospectus. The Company will give a copy of the Included Documents free of charge to any investor who asks for a copy before the Closing Date. Any such request should be made by contacting the Company at its registered office during normal business hours. The Company will also announce the Included Documents to the ASX prior to the Shares commencing trading on ASX.

Appetise has operated at a loss for the previous three financial years (being a combined loss of approximately \$1,183,099 for the period). Please refer to the financial information in Section 9 of this Prospectus for further details.

3.13 Taxation

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

The information contained in Section 5.7 is a general summary only of potential taxation consequences facing investors based on the applicable taxation law as at the date of this Prospectus. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any Shareholder on any part of the summary contained in Section 5.7.

3. Investment Overview

3.14 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the furtherance of the Company's development. These activities are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

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

3.15 Directors and Key Personnel

Set out below are short descriptions of the Directors and key personnel of the Company. Please refer to Section 7.1 for the full biographies of the Directors and key personnel.

Simon Smith Non-Executive Chairman

Mr Smith is a former Chief Executive Officer of eBay Australia and non-executive director of Sportsbet and is currently Chief Executive Officer of Nabo.com.au, Australia's private social network for your neighbourhood, Chairman at Fusion Payments Asia and adviser to Hyper Anna.

Keith Edelman Non-executive Director

Mr Edelman is Chairman of Revolution Bars Group Plc (LSE:RBG), Chairman of Jewellery Quarter Bullion Limited (trading as Bullion by Post), Senior Independent Director of SuperGroup plc (LSE:SGP) and a non-executive Director of the London Legacy Development Corporation. He was previously Managing Director of Arsenal Holdings plc (OFEX:AFC), Chief Executive Officer of Storehouse plc (Mothercare plc) (LSE:MTC) and Chairman of Texas Homecare and is also a previous non-executive director of Thorntons plc, Glenmorangie, Safestore and Eurotunnel.

Robert Clisdell Non-Executive Director

Mr Clisdell is a non-executive director of DroneShield Limited (ASX:DRO) and is the head of Bergen Capital (Australia), LLC's Sydney office.

Konstantine Karamatsos Chief Executive Officer

Mr Karamatsos was the Commercial Director of TheFoodMarket.com from 2014 to 2016 and Head of e-commerce at Play.com (acquired by Rakuten in 2011, one of the world's largest retailers and e-tailers) from 2011 to 2013. Konstantine designed and launched the marketplace model for Play.com, leading a team of 20 people he recruited and managing 2,000 merchants for the marketplace. Prior to Play.com, Konstantine worked in marketplace sales at Amazon.co.uk, was Sales Director at Careerbuilder.com and a mergers and acquisitions analyst at Royal Dutch Shell.

Richard Hateley Chief Financial Officer

Mr Hateley was the Group Financial Director of FTSE-250 company Telecom Plus Plc (LSE:TEP) from 2006-2009 and has approximately 30 years' professional accountancy experience, including in the digital space at Constant Commerce Ltd and PeerIndex Ltd. Prior to Telecom Plus, Richard was a consultant to the UK Government at the Department of Work & Pensions, and held Commercial Finance roles at multinational telecommunications and infrastructure companies. Since 2009, Richard has fulfilled various roles with a number of digital start-up companies. He is a fellow at the Institute of Chartered Accountants in England and Wales and qualified at Ernst & Young in London.

3. Investment Overview

3.15 Directors and Key Personnel

continued

Petre Norton

Sole Director of Appetise Limited (UK)

Mr Norton is the head of Bergen Capital (UK) Ltd's UK office. He previously held roles with Westhouse Securities and finnCap and practised as a solicitor at K&L Gates in London.

Anand Sundaraj

Company Secretary

Mr Sundaraj is a Principal and Solicitor Director of Whittens & McKeough Lawyers and Consultants. Mr Sundaraj specialises in mergers and acquisitions and capital raisings. Prior to joining Whittens, Mr Sundaraj worked for international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse. Mr Sundaraj is the company secretary of several ASX listed companies. He is also the author of "Listed Companies: ASX Listing Rules" in Australian Corporation Practice, published by LexisNexis Butterworths.

3.16 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 7.3 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 7.4 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website www.appetise.com.

3.17 Disclosure of Interests

The Company has not paid remuneration to its Board since incorporation to the date of this Prospectus.

For each of the Directors and officers of the Company and Appetise the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors and officers in the securities of the Company as at the date of this Prospectus is set out in the table below.

3.17 Disclosure of Interests

Director/Officer ¹	Remuneration	Shares	Options ²
Simon Smith	\$70,000	nil	1,000,000 ³
Keith Edelman	\$65,300	nil	1,000,000 ³
Robert Clisdell	\$30,000	nil	500,000 ³
Petre Norton	\$30,000	nil	500,000 ³
Konstantine Karampatsos	\$204,050	nil	2,600,000 ³
Richard Hateley	\$195,888	nil	1,450,000 ³

¹ The Directors and management of the Company may participate in the Offer.

² Each Option will be unquoted and exercisable at \$0.30 before the third anniversary of its date of vesting. As well as the Options noted above, an additional 572,600 will be issued to employees of Appetise.

³ The Options to be issued to Messrs Edelman and Smith will each vest as follows: 500,000 Options on the date the Company is admitted to the Official List (**Listing Date**) and 500,000 Options 12 months after the Listing Date. The Options to be issued to Messrs Clisdell and Norton will vest on the Listing Date. The Options to be issued to Messrs Karampatsos and Hateley will vest as follows: 25% on the Listing Date, 25% 12 months after the Listing Date, 25% 24 months after the Listing Date and 25% 36 months after the Listing Date.



3.18 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. for the Board to consider such a matter, the Director who has a material personal interest is, unless otherwise agreed by the Board (excluding the relevant Director), not present while the matter is being considered at the meeting and does not vote on the matter.

Director Appointment Letters – Simon Smith, Keith Edelman and Robert Clisdell

Messrs Smith, Edelman and Clisdell have entered into appointment letters with the Company to act in the capacity of Non-Executive Chairman in the case of Mr Smith and Non-Executive Directors in the case of the other directors. These Directors will receive the remuneration set out in Section 3.17 above upon the Company being admitted to the Official List.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.



4. Chairman's Letter



Simon Smith
Non-Executive Chairman

Dear Investor,

On behalf of the directors of Appetise (Holdings) Limited (**Company**), I am delighted to invite you to become a shareholder of the Company.

The Company is seeking to raise a minimum \$4,800,000 through an issue of 24,000,000 Shares at a price of \$0.20 per Share (**Offer**). Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted under the Offer. The maximum amount which can be raised under the Offer is therefore \$6,800,000.

The Company was incorporated on 6 June 2017 for the primary purpose of acquiring Appetise Limited (a company registered in England and Wales) (Appetise) as well as managing and operating Appetise's business.

Appetise was founded in 2008 and is a UK-based and UK-focused online and mobile application takeaway and delivery restaurant marketplace. Takeaway and delivery restaurants contract with Appetise to join its platform and have their menus made accessible to consumers. Consumers access Appetise's website and apps, which allow consumers to view takeaway and delivery restaurants serving their locations and offering a range of cuisines. The website and apps provide an ordering and payment platform to enable consumers to choose their food and pay online. Appetise processes the orders and payments on behalf of the restaurants and charges the restaurants a commission. The restaurants take responsibility for preparing and delivering the food. Appetise has no involvement in the logistics of food preparation or delivery and is purely an online intermediary.

The UK takeaway market is currently estimated at \$10.7 billion¹ and expected to grow to \$12.8 billion by 2020². The Company seeks to capitalise on this existing and expected demand through applying the funds raised under the Offer to expand its executive and sales and marketing capability, build its operations team, invest in additional software and platform development and meet the Company's costs including the costs of the Offer.

Before making your decision to invest, I ask that you carefully read this Prospectus, consider the extensive risks of investing in the Company (which include the risk factors set out in Sections 3.8 and 8) and seek professional advice if required.

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

Yours sincerely

Simon Smith
Non-Executive Chairman

¹ Food Delivery Tech: Battle for the European Consumer, Dealroom, March 2017 page 17 <https://blog.dealroom.co/wp-content/uploads/2017/03/Food-Tech-Prez-FINAL.pdf>

² The Guardian, Food takeaway sales forecast to hit £8bn with smartphone boost, 14 October 2015 – <https://www.theguardian.com/business/2015/oct/14/takeaway-food-orders-soar-in-uk-as-home-diners-order-online>



5. Details of the Offer

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 24,000,000 Shares at an issue price of \$0.20 per Share to raise \$4,800,000.

The Company may accept oversubscriptions of up to a further \$2,000,000 through the issue of up to a further 10,000,000 Shares at an issue price of \$0.20 each under the Offer. The maximum amount which may be raised under this Prospectus is therefore \$6,800,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A loyalty Option entitlement issue is also expected to be undertaken by the Company. Refer to Section 3.6 for further information.

5.2 Minimum subscription

If the minimum subscription to the Offer of \$4,800,000 has not been raised within four months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.3 Applications

Applications for Shares under the Offer must be made using the Application Form or through the BPAY® or electronic funds transfer payment facilities described on the Application Form. If you wish to make your payment by BPAY® or by electronic funds transfer, please refer to the instructions on the Application Form. BPAY® and electronic funds transfer payments must be received by no later than 5:00pm (Sydney time) on the Closing Date.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

If you apply using a paper Application Form, you cannot pay for Shares using BPAY® or electronic funds transfer. Instead, you must pay by cheque, bank draft or money order. Completed Application Forms and accompanying cheques, made payable to “Appetise (Holdings) Limited Offer” and crossed “Not Negotiable”, bank drafts or money orders must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

5.4 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to the Offer under this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.5 Issue

Subject to the minimum subscription to the Offer being reached (See Section 5.2 above) and ASX granting conditional approval for the Company to be admitted to the Official List, the issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act.

5. Details of the Offer

5.5 Issue continued

To the extent application monies (or subscription proceeds in United States nomenclature) are raised through a concurrent Regulation D offering in the United States (see Section 5.6.1 below) or an equivalent concurrent offering in the United Kingdom (see Section 5.6.2 below) or any offering in any other jurisdiction in which it is lawful to make such offering (see Section 5.6 below generally), any subscription proceeds furnished by investors in such a concurrent offering will be included for calculating whether the minimum subscription has been reached, and such proceeds will be held in trust for these investors along with those proceeds invested by applicants generally, pending the issue of the Securities or payment of any refunds as set out in Sections 5.2 and 5.4. For investors in the United States, such proceeds must be returned to such investors if the Closing Date does not occur by 4 months from the date of the Prospectus.

The Directors, in conjunction with the Lead Manager, will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. While Long Hill (the sole Shareholder at the date of this Prospectus) may participate in the Offer, it has made no commitment to participate and priority will be given to other investors over Long Hill in the allocation of Shares under the Offer.

5.6 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.6.1 United States securities law matters

The offering of Shares under this Prospectus is being effected outside the United States of America (**United States**) pursuant to Regulation S (**Regulation S**), a “safe harbor” from registration under the United States Securities Act of 1933, as amended (the **Securities Act**). The Shares offered by this Prospectus are being offered and sold outside the United States in an “offshore transaction” without “directed selling efforts” in the United States, as both these terms are used in Regulation S.

Each applicant purchasing Shares outside the United States will be taken to have represented, warranted and agreed as follows:

- the offer under this Prospectus was not made to the applicant while in the United States, and the applicant is not in the United States at the time of lodging its application;
- it will be purchasing the Shares in an “offshore transaction” meeting the requirements of Regulation S; and
- its purchase of Shares is not as a result of “directed selling efforts” in the United States.

The Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States, and the Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from the registration requirements of the Securities Act and the qualification requirements of applicable state laws. The Company intends to conduct a private offering of the Shares in the United States, concurrent with the offer of Shares under this Prospectus, pursuant to Regulation D, a “safe harbour” exemption under the Securities Act.

5. Details of the Offer

5.6.2 United Kingdom and European Economic Area

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares offered pursuant to this Prospectus. This document is provided on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom acting as principal, and the Shares offered pursuant to this Prospectus may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced by any means (including electronic transmission), in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares offered pursuant to this Prospectus has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

This Prospectus, and any other material related thereto, has not been approved by an authorised person (within the meaning of section 31 of the FSMA) (**Authorised Person**). In such circumstances, this Prospectus and any other material related thereto can only be communicated to persons in the United Kingdom if an exemption to section 21(1) of the FSMA applies. Therefore, in the United Kingdom this Prospectus is only directed at persons:

- a. who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended (**FPO**);
- b. who fall within the categories of persons referred to in Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO;
- c. who, in respect of listed equity shares, are certified sophisticated investors falling within Article 50 of the FPO; or
- d. to whom it may otherwise be lawfully distributed, (together, **relevant persons**).

A certified sophisticated investor is an individual who has a certificate in writing signed and dated by an Authorised Person in the last 3 years to the effect that he/she is sufficiently knowledgeable to understand the risks associated with investment in shares and securities, and must have signed in the last 12 months a statement in the terms required under article 50 of the FPO to the effect that he/she is a certified sophisticated investor and that he/she accepts that the contents of promotions received may not have been approved by an Authorised Person and is aware that it is open to him/her to seek advice from a specialist on this kind of investment.

The investments and investment activity to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents. Any investment or investment activity to which this Prospectus relates may expose a Relevant Person to significant risk of losing capital invested and any person who is any doubt about such investment or investment activity should consult an Authorised Person specialising in advising on such kind of investments.

5. Details of the Offer

5.6 Applicants outside Australia continued

Further, in relation to each member state of the European Economic Area which has implemented Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (**Prospectus Directive**) (each, a **Relevant Member State**) no Shares have been offered or will be offered to the public in that Relevant Member State except that an offer may be made to the public in a Relevant Member State under one of the following exemptions in the Prospectus Directive, if they are implemented in that Relevant Member State:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- b. to fewer than 150 natural or legal persons in each Relevant Member State (other than qualified investors as defined in the Prospectus Directive);
- c. in any other circumstances falling within Article 3(2) of the Prospectus Directive; or
- d. in circumstances where the total consideration for any and all offers of the Shares in the European Economic Area is less than €5,000,000 calculated over a period of 12 months,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined. The Company, its advisers and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

5.7 Taxation

a. Certain Australian Tax Consequences to Holders of Shares

The following discussion summarises certain Australian tax consequences to investors who subscribe for Shares under this Prospectus.

This discussion assumes that investors hold Shares as a capital asset (generally, property held for investment rather than for resale at a profit) and does not address all of the potential Australian tax consequences of the ownership of Shares. In particular, it does not address the positions of investors who acquire Shares in the course of a business of trading or investing in securities or who otherwise hold Shares on revenue account or as trading stock, nor does it address the position of investors who are subject to the provisions regarding the 'taxation of financial arrangements' in Division 230 of the *Income Tax Assessment Act 1997*.

i. Dividends

Australian resident investors will be required to include the amounts of any dividends paid by the Company in their assessable income. The Company does not expect to be subject to Australian income tax in respect of a potentially significant portion of its profit, being that portion derived in the form of dividends from its wholly owned intermediate holding company subsidiary or from its indirectly (and directly) wholly owned operating subsidiary (**Appetise**). Accordingly, the Company does not expect to be in a position to frank a material portion of any dividends which it may pay. To the extent that a dividend paid by the Company is franked, an investor who is a resident of Australia and a qualified person in relation to that dividend will be required to include the amount of the franking credit attached to the dividend in its assessable income, but would also be entitled to a refundable tax offset in the same amount.

5. Details of the Offer

In order to be a qualified person in relation to a dividend an investor must satisfy an at risk requirement for a particular holding period or qualify for a safe harbour for small investors. Potential investors should consult their own tax advisors regarding those requirements.

To the extent that dividends paid by the Company to non-Australian resident investors, who do not hold their Shares through a fixed place of business in Australia, are either franked or declared to be conduit foreign income, those dividends will not be subject to Australian dividend withholding tax. The Company would be able to declare the unfranked portion of its dividends to be conduit foreign income to the extent to which those dividends are paid from certain foreign income derived by the Company which is not subject to Australian income tax (including dividends from its directly and indirectly wholly owned subsidiaries).

To the extent that dividends paid by the Company to non-Australian resident investors are neither franked nor declared to be conduit foreign income, that portion of any such dividend would be subject to the Australian dividend withholding tax, which is imposed at the rate of 30% of the gross amount of the dividend, unless that rate is reduced by an applicable double tax treaty between Australia and the country in which the non-Australian resident investor is a resident for tax purposes.

If the non-Australian resident investor is entitled to the benefit of such a treaty, the rate of Australian dividend withholding tax is generally reduced from 30% to 15%.

ii. Disposal of Shares

An Australian resident holder of Shares would be subject to the Australian capital gains tax rules in relation to any sale, other disposal or certain other dealings of or in relation to the Shares. Those rules generally include any gain in assessable income, but capital gain may be offset by capital losses incurred in the same or an earlier year of income. If the sale or other disposal by an Australian resident investor results in a capital loss, that loss would be available to offset other capital gains in that or a later year, but is not an allowable deduction.

Non-Australian resident investors who do not hold their Shares in connection with a business carried on through a fixed place of business in Australia would generally only be subject to Australian capital gains tax on a sale, other disposal or other dealing of or in relation to Shares if they have held 10% or more of the total Shares in the Company and if more than half of the value of the Company's assets is attributable to direct or indirectly held interests in Australian real property. The Company has no direct or indirectly held interests in Australian real property at the date of this Prospectus.

THE PRECEDING SUMMARY IS NOT A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION OF SHARES IN THE COMPANY AND IS NOT TAX ADVICE. PROSPECTIVE HOLDERS OF SHARES IN THE COMPANY SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF SHARES.

5.8 Not Underwritten

The Offer is not underwritten.

5.9 Lead Manager

Beer & Co Pty Ltd shall provide the services of Lead Manager in connection with the Offer. Beer & Co Pty Ltd wholly owns Melbourne Venture Securities Pty Ltd (ACN 102 538 394) which holds Australian Financial Services Licence Number 224313.

In consideration for its role as Lead Manager, Beer & Co Pty Ltd will be entitled to a monthly corporate advisory fee of \$10,000 for a maximum of 6 months until the Company is admitted to the Official List, a 7.0% sales commission on funds raised under the Offer directly by the Lead Manager and an issue management fee of 2.0% of the total funds raised under the Offer. For further details relating to the appointment of the Lead Manager, please refer to Section 10.1. Any broker fees payable to other brokers or intermediaries will be paid from the sales commission payable to the Lead Manager.

5.10 Enquiries

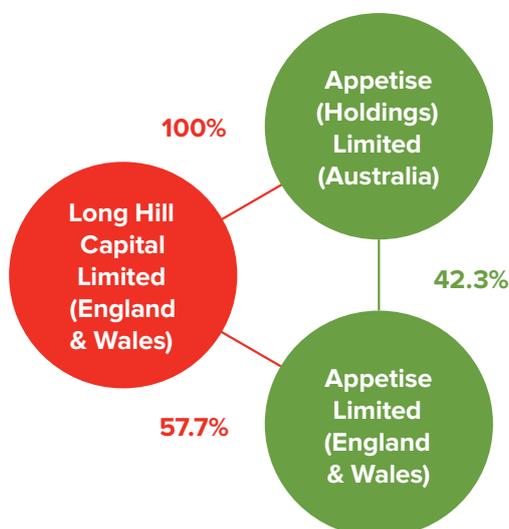
Any questions concerning the Company or the Offer should be directed to the Appetise Offer Information Line on 1800 079 367 (within Australia) or +61 1800 079 367 (outside Australia) or to the Company at investors@appetise.com.



6. Company Overview

6.1 Background

Appetise (Holdings) Limited (the **Company**) was incorporated on 6 June 2017 for the primary purpose of acquiring Appetise Limited (a company incorporated in England and Wales) (**Appetise**), as well as managing and operating Appetise's business. Appetise was founded in 2008 and is a UK-based and UK-focused online takeaway marketplace. The Company owns 42.3% of Appetise directly, and 57.7% indirectly, through the Company's 100% ownership of Long Hill Capital Limited (a company incorporated in England and Wales) (**Holding Company**). The Company's corporate group structure at the date of this Prospectus is set out below:



Appetise owns and operates an online takeaway marketplace in the United Kingdom. Takeaway and delivery restaurants contract with Appetise to join its platform and have their menus made accessible to consumers. Consumers access Appetise's website and apps, which allow them to view takeaway and delivery restaurants serving their locations and offering a range of cuisines. The website and apps provide an ordering and payment platform to enable consumers to choose their food and pay online. Appetise processes the orders and payments on behalf of the restaurants and charges the restaurants a commission. The restaurants take responsibility for preparing and delivering the food. Appetise has no involvement in the logistics of food preparation or delivery and is purely an online intermediary.

The sole shareholder of the Company at the date of this Prospectus is Long Hill Capital III, LLC, a limited liability company registered in Delaware, USA (**Long Hill**) which holds 45,000,001 Shares in the capital of the Company.

Following the completion of the Offer, upon the Company obtaining the Listing Approval, raising the minimum subscription and issuing the Securities, Long Hill will own approximately 65.22% of the Shares of the Company (or, in the event full oversubscriptions are raised under the Offer, will own approximately 56.96% of the Shares of the Company).

Appetise has approximately 90,000 registered customer accounts and approximately 400 restaurant partners on its platform. Refer to Section 10.3 for details of the standard agreement entered into by the Company with its restaurant partners. Appetise's registered customers and restaurants are spread throughout the United Kingdom, giving it a national footprint in the United Kingdom, however, historically its business has been particularly focused on the West Midlands and South West regions of England.

In the financial year to 31 March 2016, Appetise's platform processed \$901,322 worth of gross orders, generating net revenues of \$91,715 and a loss of \$20,288 for Appetise. In the financial year to 31 March 2017, Appetise's platform processed \$529,167 worth of gross orders, generating net revenues of \$49,172 and a loss of \$1,157,258 for Appetise.

The Company has attracted an expert Board and management team whose members have experience in Appetise's industry, consumer-facing businesses, and small-cap companies (refer to Sections 3.16 and 7.1 for further details).

6. Company Overview

6.2 History

The first Appetise website was launched in the United Kingdom in 2008. From a standing start, Appetise developed a business and carved out a small niche in the industry. However, in the absence of committed leadership, an experienced team, and capital investment, the business stagnated. Even though Appetise achieved near break-even status (with losses of \$5,553 and \$20,288 respectively) in the years to 31 March 2015 and 31 March 2016, that was achieved on revenues of only \$98,201 and \$91,715 respectively.

In May 2016, Appetise was acquired from unrelated party vendors for total consideration of approximately \$230,000 by the Holding Company, an affiliate of Long Hill, a U.S. institutional investor who recognised the opportunity in the industry. Following that acquisition and particularly in recent months:

- Long Hill and its affiliates invested a total of approximately \$2,260,000 directly into Appetise,
- Appetise relocated from Cheltenham to London,
- Appetise retained an experienced management team, increased its headcount from 2 to 7, and completely restructured its staffing,

- Appetise constituted a Board with substantial experience,
- Using Long Hill's investment, Appetise replaced its outdated front and back-end systems with newly-developed systems, and rolled out apps for iOS and Android platforms and tested various marketing avenues and formed views as to their effectiveness,
- Appetise removed a number of restaurants from its platform and undertook a restaurant recruitment drive, bringing its restaurant count to approximately 400, and
- Appetise formulated a strategic plan, which includes the use of capital as set out in this Prospectus.

Pursuant to an internal restructure involving the Holding Company and Long Hill, the Company acquired the entire issued share capital of Appetise on 26 June 2017 for an issue of an aggregate of 45,000,000 Shares. These 45,000,000 Shares are held by Long Hill, the Company's sole shareholder at the date of this Prospectus.

6.3 The Market

The global food delivery market was estimated to be \$124 billion in November 2016¹ with the UK takeaway market being a significant proportion of that, and the largest in Europe, at \$10.7 billion² and expected to grow to \$12.8 billion by 2020³. Britons spend more on takeaway food than anyone else in Europe with the average spend being \$233 per person per year compared to \$194 in France and \$120 in Germany⁴. The number of takeaway and delivery restaurants has been growing rapidly in the United Kingdom with, for example, a 56% increase in Manchester from 2010 to 2015⁵, and the United Kingdom now has nearly 37,000 independent takeaway and delivery restaurants⁶.

Over two-thirds of all orders from takeaway and delivery restaurants worldwide are placed by telephone⁷. In the United Kingdom, the percentage of telephone orders is slightly less than the global average but still over 50%⁸. The rise of digital technology is reshaping the market as consumers, accustomed to shopping online for a wide range of goods and services, expect the same convenience when it comes to ordering dinner.

¹ McKinsey & Co, The Changing Market for Food Delivery, November 2016
<http://www.mckinsey.com/industries/high-tech/our-insights/the-changing-market-for-food-delivery>

² Food Delivery Tech, Battle for the European Consumer, Dealroom, March 2017 page 17
<https://blog.dealroom.co/wp-content/uploads/2017/03/Food-Tech-Prez-FINAL.pdf>

³ The Guardian, Food takeaway sales forecast to hit £8bn with smartphone boost, 14 October 2015
<https://www.theguardian.com/business/2015/oct/14/takeaway-food-orders-soar-in-uk-as-home-diners-order-online>

⁴ Food Delivery Tech: Battle for the European Consumer, Dealroom, March 2017 page 17

⁵ Manchester Evening News, Number of takeaways in Greater Manchester has increased by more than 50 per cent in just five years, May 2016
<http://www.manchestereveningnews.co.uk/news/greater-manchester-news/number-takeaways-greater-manchester-increased-11330626>

⁶ United Kingdom Office for National Statistics Data on Takeaway restaurants, May 2016
<https://www.ons.gov.uk/file?uri=.../005725restaurantsbyregionfor2013to2015/...xls>

⁷ TechCrunch. A Secular Shift To Online Food Ordering, 7 May 2015 - <https://techcrunch.com/2015/05/07/a-secular-shift-to-online-food-ordering/>

⁸ Food Delivery Tech: Battle for the European Consumer, Dealroom, March 2017 page 17

6. Company Overview

The United Kingdom is leading this transformation - in the UK, online ordering has grown faster than GDP, and by 2019 it is expected that the percentage of orders placed by telephone will have fallen to as low as 30% in the United Kingdom¹. This channel shift is similar to the migration towards the use of the Internet by consumers in other fragmented markets, such as restaurant bookings, travel, hospitality, live entertainment and classified advertising. The Company expects the online takeaway marketplace market to continue to grow as a result of these changes in consumer behaviour, urbanisation, increasing internet, smartphone and mobile device penetration, and an increase in the recognition by restaurants and consumers of the value of online takeaway marketplaces.

Historically, Appetise targeted customers who were students and young professionals. In the United Kingdom, the average 16 – 24 year old spends more on fast food than any other age group, largely due to a lack of cooking skills². The average spend on a takeaway for 16 – 24 year olds is £19.61 (approximately \$32) compared to the adult average of £11.31 (approximately \$18.50)³. Whilst students and young professionals may not have as much disposable income as their seniors, many of Appetise’s restaurant partners also consider this socio-demographic group as their target and price their menus accordingly.

University areas provide Appetise with a concentrated potential geographic market for this socio-demographic group. Appetise will continue to target students and young professionals as it aims to grow from city to city throughout the United Kingdom. However, it does not expect to limit its focus to this socio-economic group alone, and expects to also target families, due to the changing consumption patterns.

6.4 Competition

The market in which Appetise participates is competitive and prone to rapid change. UK consumers have many choices for takeaway food, including other online takeaway marketplaces (some of which rely solely on delivery by their restaurant partners (a model referred to in this Prospectus as “pureplay”), and some of which provide their own delivery services (a model referred to in this Prospectus as “logistics”), independent restaurants and restaurant chains offering online and mobile application ordering services, and restaurants offering telephone-based and walk-in takeaway food services.

In particular, in the online takeaway marketplace Just Eat plc (**Just Eat**) is generally regarded as the market leader with a majority market share of the takeaway food marketplace market. Hungryhouse Holdings Limited (**hungryhouse**), a private company owned by Delivery Hero AG, is the second largest pureplay marketplace. On 15 December 2016, Just Eat announced its acquisition of hungryhouse, subject to approval by the United Kingdom’s Competition and Markets Authority (which has not yet been, and may or may not be eventually, granted). Just Eat charges up to 14% commission on the value of orders and a joining fee of up to £699 (approximately \$1,140) to its restaurant partners. Outside of Just Eat and hungryhouse, the Directors are not aware of any national pureplay market participant offering a range of cuisines other than Appetise and that acquisition (if consummated) is likely to leave Appetise as the only other pureplay marketplace in the industry with a national footprint offering a range of cuisines.

While other substantial online takeaway marketplaces exist in countries other than the United Kingdom, the Company does not consider them to be in competition with Appetise since they do not operate in the same national geographic market as Appetise. Such marketplaces may, however, enter the United Kingdom market in the future.

¹ Macquarie Research, Takeaway Market Places, July 2016 page 34

<https://www.macquarieresearch.com/ideas/api/static/file/publications/7296617/TakeawayMarketPlaces040716Re247529.pdf>

² The Independent, 16 to 24-year-olds spend more on food than any other age group, says research 3 October 2015

<http://www.independent.co.uk/news/uk/home-news/16-to-24-year-olds-spend-more-on-food-than-any-other-age-group-says-research-a6678596.html>

³ The Independent, 16 to 24-year-olds spend more on food than any other age group, says research 3 October 2015

6.

Company Overview

6.4 Competition continued

The Company believes that this asset-light model affords it the potential for scalability, while providing it with the potential to generate higher gross margins than the logistics model.

Among the logistics model competitors, there are three companies challenging each other: Roofoods Limited (trading as Deliveroo), Amazon.com Inc. (trading as Amazon Restaurants) and Uber (trading as UberEATS). Whilst there is some crossover in competition for customers of these companies with the pureplay marketplace model, the logistics model is associated with demanding capital requirements, with higher costs charged to the restaurants due to the need to fund fleets of delivery drivers. As an example, Deliveroo orders are understood to be associated with a cost of between 15% and 25% per order for the restaurants, and typically have a minimum value of £15 (approximately \$24.50). The Company believes that, because of the foregoing, the core customers of the logistics model competitors are drawn from the higher income demographic than those of the pureplay model. Furthermore, according to the UK's Competition and Markets Authority, these companies have a different business model to the pureplay model and could not be considered direct rivals.

Just Eat, hungryhouse, Deliveroo, Amazon Restaurants and UberEATS are substantially more established than Appetise and have substantially greater cash resources and market share than Appetise. The Company's success will depend on its ability to successfully compete with such larger and more established market participants and win market share from them.

The Company believes that Appetise's offering provides the following key differentiating factors relative to the other pureplay marketplace and logistics market participants:

- Appetise charges restaurants commissions of up to only 10% and no joining fees, compared to up to 14% on the value of orders and £699 (approximately \$1,140) respectively for Just Eat,
- Appetise is the only national online takeaway marketplace that, as of the time of the lodgement of this Prospectus, enabled its customers to view the United Kingdom Food Standards Agency hygiene ratings awarded to its restaurant partners, and refine the restaurant search results by this rating,
- Appetise can take advantage of its small size to provide quality customer service and react rapidly to market requirements,
- Appetise does not charge customers a card transaction fee, compared to £0.50 (approximately \$0.80) per order currently charged by Just Eat. In July 2017, the UK Government implemented the EU's second Payment Services Directive in respect of credit and debit card transaction fees. This legislation is expected to result in the banning of all surcharges imposed by retailers on customers when paying by debit or credit card from January 2018. While Appetise's offering to consumers is currently more beneficial than its key competitors' due to Appetise not charging consumers per order fees, in the event that the key competitors cease charging such fees (and do not replace the substantial revenue stream that they derive from such fees with another revenue stream from consumers or restaurants) following

the Payment Services Directive coming into effect, this differentiating factor will no longer be effective.

However, given uncertainty as to the practical application of the legislation and the key competitors' plans in relation to its effect, it is unclear whether this differentiating factor will necessarily be obviated following the legislation coming into effect, and

- Appetise also offers a loyalty points discount scheme which enables consumers to make further savings compared to competitors and compared to ordering directly from the restaurants and is intended to keep customers on its platform and discourage them from migrating to other platforms.

Appetise also faces competition from independent restaurants and restaurant chains that offer online ordering services through their own websites and mobile apps. This branded delivery market is dominated by the pizza delivery companies, particularly, Domino's, Pizza Hut and Papa John's, and in the aggregate accounted for over 15% of online takeaway delivery sales in the United Kingdom in 2016. These are single brand restaurants that are limited to their own menus, centred around pizza. This model is capital-intensive and requires the restaurant, usually a franchisee and/or a franchise network, to invest in facilities and logistics. While Appetise competes for customers with the branded pizza delivery players, it seeks to differentiate itself on the basis of choice.

In addition, Appetise competes with a wide range of local restaurants offering telephone-based and walk-in takeaway food services, often for established local consumer bases. Please see Section 8.2(a) for a description of competition risks associated with the Company.



6.5 Business Model and Strategy

6.5.1 Revenue Model

Appetise derives its revenue from commissions charged to restaurants on the value of orders placed through its platform. Commissions are currently typically set at 10% of the value of an order; however, they may vary or at times be waived for promotional purposes. Appetise has no involvement and does not incur costs in the logistics of food preparation or delivery and its only additional direct costs in relation to an order that it processes are direct marketing costs, if any (such as pay-per-click marketing costs), costs associated with the processing of the customer's payment for the order, and costs associated with Appetise's loyalty scheme. The Directors believe, therefore, that the business is scalable with relatively modest capital requirements.

Orders paid by credit or debit card, which currently account for approximately 80% of the orders, are processed using a third-party merchant account and payment gateway. Appetise retains the payment monies in its bank account and passes the consolidated amounts on to the restaurants, less its commissions. Where an order is paid for in cash, the restaurant's own delivery driver collects the cash payment from the customer and consequently the restaurant owes Appetise the commission amount. Appetise debits these amounts from the restaurants' accounts.

The Directors believe customer retention to be a key component in the successful growth of Appetise. Appetise offers a loyalty points discount scheme, which is intended to incentivise customers to reorder, as well as post a review or share their experience on social media.

In addition to the costs of the loyalty scheme (if any) in relation to a given order, Appetise's direct costs for each order also include the fees payable to the third party merchant account and payment gateway providers. There is no such cost to Appetise for orders paid in cash.

Other direct costs include pay-per-click marketing costs and in the case of discounted promotions to customers, the costs of such discounts to the extent not borne by the restaurant.

Additionally, in the future, Appetise may derive additional revenue from its restaurant partners, such as priority placement fees and co-marketing revenues; however, at present it has no plans to add additional revenue streams to its business model.

6. Company Overview

6.5 Business Model and Strategy *continued*

6.5.2 Supply Side (Restaurants)

Appetise seeks to attract new restaurants to its platform. It is estimated that there are nearly 37,000 independent takeaway restaurants in the United Kingdom. The largest market participant, Just Eat, reports approximately 27,600 restaurants on its platform. Restaurant participation on online takeaway marketplaces typically does not attract exclusivity, and a restaurant can be listed on multiple platforms. There are no restaurant categories, cuisines or locations that Appetise does not seek to target. Appetise's restaurant partners are wide ranging, and include counter-service takeaways, dine-in restaurants, sole proprietors, family-run businesses and branded restaurants. Appetise employs a sales team and an outsourced direct marketing provider, tasked with enrolling restaurants in the platform.

Generally, a restaurant appears on Appetise's platform within a week after signing up. From that time onwards, consumers have access to the restaurant's menu, prices and opening hours.

There are a number of benefits that the Company believes Appetise's restaurant partners can derive from being on Appetise's platform.

A significant number of restaurants already have delivery capabilities but are constrained from a time, budget and resource perspective in focusing on developing an online sales channel or mobile application of their own. Traditional methods of advertising are increasingly inefficient given their limited reach and the requirement for the incurrence of upfront costs. Appetise offers a simple and effective solution that can help a restaurant expand its delivery and pick-up business without having to make a substantial investment or increase incremental costs when additional orders are generated.

The benefits to restaurants include the following:

- a meaningfully lower commission than that charged by competing marketplaces. In particular, Just Eat and hungryhouse both charge commissions of up to 14% on the value of orders for restaurants on their platforms – this compares to a maximum of 10% on Appetise,
- no sign-up fees for restaurants. Just Eat charges up to £699 (approximately \$1,140) and hungryhouse up to £199 (approximately \$325),
- the restaurants having leverage in their negotiations with the largest marketplaces – having the ability to participate in an independent online takeaway marketplace (and at a lower cost per order) gives a restaurant a certain amount of leverage in its negotiations with the other market participants,

- receiving additional orders at minimum incremental costs,
- increased brand awareness,
- increased marketing exposure,
- increased likelihood of repeat orders,
- benefits from Appetise's customer service function,
- efficient order processing by reducing time and communication errors relative to offline orders,
- utilising Appetise's technology, which would be costly for restaurants to develop independently, and
- learning about consumer preferences through online reviews and Appetise's own data.

Appetise intends to grow its sales team to accelerate the growth in restaurants available on its platform, city by city throughout the United Kingdom.

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Company Overview

6.5.3 Demand Side (Consumers)

Appetise seeks to attract consumers to its platform. Appetise's website and mobile apps allow consumers to find and choose their preferred takeaway and delivery restaurants and food. Restaurant search results, menus and consumer reviews are displayed in a consistent format on the web site and mobile apps, and consumers can quickly view details for multiple takeaway restaurants and efficiently place secure orders and pay for them. Consumers can generally store card and address/contact details, as well as details of previous orders and favourites, for future ease of ordering. Appetise's mobile apps allow consumers to also order while on the go.

A substantial difference between (1) Just Eat and hungryhouse, the two largest online takeaway marketplaces in the industry, and (2) Appetise is that Appetise does not charge its customers a fee to pay for orders by credit or debit card, while both Just Eat and hungryhouse charge customers £0.50 (approximately \$0.80) per card transaction. However, as noted in Section 6.4 above, in July 2017 the UK Government implemented the EU's second Payment Services Directive which is expected to result in the banning of all surcharges imposed by retailers on customers when paying by debit or credit card from January 2018.

As such, while Appetise's offering to consumers is currently more beneficial than its key competitors' due to Appetise not charging consumers per order fees, in the event that the key competitors cease charging such fees (and do not replace the substantial revenue stream that they derive from such fees with another revenue stream from consumers or restaurants) following the Payment Services Directive coming into effect, this differentiating factor will no longer be effective. However, given uncertainty as to the practical application of the legislation and the key competitors' plans in relation to its effect, it is unclear whether this differentiating factor will necessarily be obviated following the legislation coming into effect.

Appetise is the only national online takeaway marketplace that, as of the time of the lodgement of this Prospectus, enabled its customers to view the United Kingdom Food Standards Agency hygiene ratings awarded to its restaurant partners, and refine the restaurant search results by this rating.

Appetise intends to grow demand for its platform by expanding its marketing efforts and exploiting its value offering and consumer experience.

Appetise is a transparent, secure, user-friendly, and seamless method of ordering food from amongst a selection of restaurants and cuisines and provides consumers with a number of benefits. These include the following:

- price – because, unlike Just Eat and hungryhouse, Appetise does not charge a credit/debit card fee per order, ordering from Appetise can be cheaper for consumers than from the largest competitors in the market,

- a loyalty point discount scheme enabling consumers to make further savings compared to competitors and compared to ordering directly from the restaurants,
- an ability to review restaurants' hygiene ratings and limit search results using a minimum hygiene rating standard acceptable to the consumer,
- a simple ordering experience relative to walk-in or the telephone,
- ordering convenience relative to walk-in or the telephone,
- the security of ordering from an impartial intermediary with a "customer first" philosophy, which philosophy is not necessarily prevalent when dealing directly with a restaurant,
- a choice of multiple restaurants and cuisines, in one location and the ability to narrow down that selection using filters – something that is not available offline,
- an ability to review prior customers' experiences with specific restaurants using online reviews – something that is not available offline,
- an ability to order from the customer's location, on the go, and
- a secure payment system.

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Company Overview

6.6 Growth Strategy

6.6.1 Restaurant Growth to Increase Supply

Growth in the number of restaurants on the platform is a key factor in the Company's strategy. The Company intends to utilise the proceeds of the Offer to grow Appetise's sales team so as to increase the number of restaurants available on its platform, city by city throughout the United Kingdom.

In particular, the Company intends to grow the number of branded restaurants (such as national restaurant chains) available on Appetise's platform in order to enhance the Appetise brand among both restaurants and customers. Appetise expects that it may reduce its commission rate for certain branded restaurants, with the aim of accelerating growth in this area.

The Company believes that the fact that, unlike its key competitors, Appetise does not charge restaurants fees to enrol in the platform, and the fact that Appetise's headline commission rates are lower than the key competitors', with flexibility to reduce these rates further, are key to Appetise's ability to sign up additional restaurant partners, and Appetise expects to undertake a focused promotional and public relations campaign focusing on these aspects of its restaurant offering.

Improving Appetise's relationships with the restaurants on its platform is another key factor in the Company's strategy. Heretofore, because of the capital constraints that it has experienced historically, Appetise has been limited in its ability to support restaurants with customer service, promotions and additional services. The Company intends to utilise the proceeds of the Offer to improve its support for restaurants and conduct targeted promotions for its restaurant partners. The Company may also offer additional support avenues and services for its restaurant partners, such as co-branded printed menus.

6.6.2 Consumer Growth to Increase Demand

The Company believes that the substantial margins and net profits achieved by the largest player in the market, Just Eat, and the dominance historically enjoyed by Just Eat in the market, represent an opportunity for Appetise to undercut Just Eat on price and grow market share.

Specifically, Appetise does not charge its customers a fee for credit and debit card orders, as opposed to the two largest players in the sector who charge £0.50 (approximately \$0.80) per card order. This effectively makes it cheaper for consumers to order through Appetise than these key competitors. However, as noted above, the EU's second Payment Services Directive is expected to result in the banning of all surcharges imposed by retailers on customers in the UK when paying by debit or credit card from January 2018. Refer to Sections 6.4 and 6.5.3 for the potential impact of the Payment Services Directive.

However, unlike its key competitors, Appetise also offers a loyalty points discount scheme enabling its customers to make further savings compared to its competitors and compared to ordering directly from the restaurants.

The Company plans to undertake an aggressive marketing and public relations campaign educating the consumer market about the options available to it, and this consumer cost differential.

In addition to public relations campaigns, the Company expects Appetise's marketing efforts to be focused online, particularly in the areas of search engine optimisation, pay-per-click advertising, social media advertising, and unpaid social media. The Company believes these channels to be most optimal way to grow order numbers in a short space of time while maintaining an acceptable cost per customer acquisition.

Additionally, Appetise's online activities may include discounted promotions.

Additionally, the Company expects to undertake off-line marketing activities, including in co-operation with its partner restaurants. These may include co-branded hard copy menus, provision of branded bags and packaging materials to restaurant partners, and the placement of in-store materials and signage on the restaurant partners' premises.

By expanding its network of takeaway restaurants, Appetise expects to improve the range of choices available to consumers across existing and new local markets and drive consumer adoption of its platform.

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Company Overview

Retaining customers and repeat orders from customers are a key part of the Company's strategy. Appetise's loyalty points discount scheme is intended to keep customers on its platform and discourage them from migrating to other platforms.

Appetise is the only national online takeaway marketplace that, as of the time of the lodgement of this Prospectus, enabled its customers to view the United Kingdom Food Standards Agency hygiene ratings awarded to its restaurant partners, and refine the restaurant search results by this rating. None of Appetise's competitors in the sector screens its restaurant partners in this way. Competitors carry a number of restaurants which have not achieved a minimum hygiene requirement, and do not enable consumers to make educated choices in relation to the United Kingdom's Food Standards Agency's hygiene rating of their partner restaurants when ordering from their platforms. Appetise intends to market itself as enabling such educated choices for customers and thereby further differentiate itself from the larger players as a safer choice. The Directors believe this may allow Appetise to position itself as a more premium offering compared to the other marketplaces, despite it being the value choice.

Appetise is able to offer tailored complimentary products as part of its marketing strategy. By way of example, Appetise has recently entered into a partnership with Wuaki.TV S.L.U., whose group of companies is known as Rakuten in Australia, to provide free films to customers with their orders. This partnership represents a marginal fixed cost for Appetise but presents an opportunity for Appetise to increase its customer acquisition and retention. The Company intends to use further targeted campaigns and promotions in order to grow consumer demand for Appetise's services.

6.6.3 Technical Platform Development

With the majority of takeaway and delivery orders in the United Kingdom still being made by telephone, the telephone itself effectively remains Appetise's largest competitor. Appetise has spent no less than \$300,000 to date on its software and platform in order to create a user-friendly platform; however there is an ongoing development requirement to improve the functionality and user experience of its website and apps. The Company aims to substantially develop Appetise's website and apps in both these areas.

6.6.4 Brand Awareness

Appetise's brand is not well-known in the United Kingdom today. This represents both a challenge and an opportunity. Brand awareness is essential for attracting new and existing consumers as well as restaurants to the platform. Activities focused on increasing brand awareness will include public relations and press campaigns, social media campaigns, and an effort to improve restaurant and consumer satisfaction with Appetise, its service and its technical platform (including its social media and app store rankings), including through improved customer service for both consumers and restaurants and an improved technical experience with the platform for both consumers and restaurants.

6.6.5 Other

The Company may also expand its business through partnerships with other United Kingdom food market participants, such as supermarket chains, seeking entry into the online takeaway market, as well as with foreign online takeaway marketplaces seeking entry into the United Kingdom.

The Company will consider expanding its business through the acquisitions of other complementary and enhancing businesses in appropriate geographies.

The Company notes however that it is not in negotiations for any such partnerships or acquisitions as at the date of this Prospectus.



7. Board, Management & Corporate Governance

7.1 Directors & key personnel



Simon Smith
Non-Executive Chairman

Mr Smith is an experienced leader in the services, internet marketing and online marketplaces spaces and is a former Chief Executive Officer of eBay Australia and non-executive director of Sportsbet, Australia's largest online bookmaker. Between 2000 and 2008, Mr Smith transformed eBay Australia from a loss-making business into a dominant presence in Australian eCommerce.

He is currently Chief Executive Officer of Nabo Community Pty Ltd, which is Australia's largest private social network for neighbourhoods. Funded by Seven West Media, Reinventure and Fairfax, Nabo is enabling over 250,000 individuals, local businesses and community organisations to easily connect with each other online safely and easily to share local news, recommendations and events. Mr Smith is also Chairman at Fusion Payments Asia, where he was involved in the successful sale of the Australian business to Telstra, and adviser to Hyper Anna.

Born and educated in the UK, he worked for seven years in the London Office of McKinsey and Company before moving to Australia. He recently completed 5 years running the worldwide Virtual Offices business of Servcorp Ltd (ASX:SRV) a global leader in the shared and virtual office space.

Mr Smith has an MA in Economics from Trinity Hall, Cambridge and an MBA with distinction from INSEAD. He is a member of YPO and was a founder and Chair of the Sydney Pacific Chapter. He is considered to be an independent Director and does not expect that his other directorships will impact his ability to act as a Director of the Company.



Keith Edelman
Non-Executive Director

Mr Edelman is Chairman of Revolution Bars Group Plc (LSE:RBG), Chairman of Jewellery Quarter Bullion Limited (trading as Bullion by Post), Senior Independent Director of SuperGroup plc (LSE:SGP) and a non-executive Director of the London Legacy Development Corporation and has over 30 years of consumer experience having worked in both retail and leisure businesses. He was previously Managing Director of Arsenal Holdings plc (Arsenal Football Club) (OFEX:AFC) where he was responsible for the development of club's Emirates Stadium with was delivered on time and on budget. During his tenure at Arsenal, the club's internet business was turned from a loss to a profit and unique users grew from approximately 350,000 to 3.5 million per month. Mr Edelman was also previously Chief Executive Officer of Storehouse plc (Mothercare plc) (LSE:MTC) and Chairman of Texas Homecare and is also a previous non-executive director of Thorntons plc, Glenmorangie, Safestore and Eurotunnel.

Mr Edelman is considered to be an independent Director and does not expect that his other directorships will impact his ability to act as a Director of the Company.

7. Board, Management & Corporate Governance

7.1 Directors & key personnel continued



Robert Clisdell
Non-Executive Director

Mr Clisdell is based in Sydney and is a non-executive director of DroneShield (ASX:DRO) and the head of Bergen Capital (Australia), LLC's Australian office, an affiliate of the largest shareholder of the Company. Prior to Bergen, Mr Clisdell gained over 15 years' experience in the banking, finance and accounting sectors in the Australian market as an investment banker at Credit Suisse and Caliburn Partnership (now Greenhill & Co.) and worked in equity capital markets at Ord Minnett. Mr Clisdell began his career at Ernst & Young where he qualified as a Chartered Accountant. Mr Clisdell has a Bachelor of Commerce degree from the University of Sydney (majoring in Finance & Accounting) and a Graduate Diploma in Applied Finance & Investment from FINSIA (now known as Kaplan).

Mr Clisdell is not considered to be an independent Director due to his association with Bergen, an affiliate of the Company's largest shareholder. Mr Clisdell does not expect that his other directorships will impact his ability to act as a Director of the Company.



Konstantine Karampatsos
Chief Executive Officer

Mr Karampatsos was the Commercial Director of TheFoodMarket.com from 2014 to 2016 and Head of e-commerce at Play.com (acquired by Rakuten, one of the world's largest retailers and e-tailers, in 2011) from 2011 to 2013. Mr Karampatsos designed and launched the marketplace model for Play.com, leading a team of 20 people he recruited and managing 2,000 merchants for the marketplace. Prior to Play.com, Mr Karampatsos worked in marketplace sales at Amazon.co.uk, was Sales Director at Careerbuilder.com and a mergers and acquisitions analyst at Royal Dutch Shell.



Richard Hateley
Chief Financial Officer

Mr Hateley was Group Financial Director of FTSE-250 company Telecom Plus Plc (LSE:TEP) from 2006-2009. He has 30 years' professional accountancy experience, including in the digital space at Constant Commerce Ltd and PeerIndex Ltd. Prior to Telecom Plus, Mr Hateley was a consultant to the UK Government at the Department of Work & Pensions and worked in Commercial Finance roles for multinational telecommunications and infrastructure companies. Richard acted as Chief Financial Officer and company secretary of PeerIndex Limited from 2010 to 2015 and also acted as interim Chief Operating Officer of Owlr Limited and as a consultant with Constant Commerce Ltd from 2015 to 2016. He is a fellow at the Institute of Chartered Accountants in England and Wales and qualified at Ernst & Young in London.

7. Board, Management & Corporate Governance



Petre Norton
Sole Director of Appetise Limited (UK)

Mr Norton is the head of Bergen Capital (UK) Ltd's UK office, an affiliate of the Company's largest shareholder. He qualified as a solicitor at K&L Gates in London before joining the corporate finance department of Westhouse Securities and then finnCap in London. Mr Norton has been on the board of Appetise Limited since its acquisition by Long Hill in May 2016.



Anand Sundaraj
Company Secretary

Mr Sundaraj is a Principal and Solicitor Director of Whittens & McKeough Lawyers and Consultants. Mr Sundaraj specialises in mergers and acquisitions and capital raisings. He also advises on funds management, Australian financial services licensing and general securities law matters including compliance with the ASX Listing Rules. Prior to joining Whittens, Mr Sundaraj worked for international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse. Mr Sundaraj is the company secretary of ASX listed companies DroneShield Limited, Catapult Group International Limited, Freedom Insurance Group Limited, N1 Holdings Limited, iBuyNew Group Limited and Tomizone Limited. He is also the author of "Listed Companies: ASX Listing Rules" in Australian Corporation Practice, published by LexisNexis Butterworths.

7.2 Management and Consultants

The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

7. Board, Management & Corporate Governance

7.3 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section on the Company's website www.appetise.com.

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- a. maintain and increase Shareholder value;
- b. ensure a prudential and ethical basis for the Company's conduct and activities; and
- c. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

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

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

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

7. Board, Management & Corporate Governance

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (in the case of Directors), the Managing Director (in the case of the Chairman and other key management personnel) or Board (in all cases) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

7. Board, Management & Corporate Governance

7.4 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company's departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

Recommendation	Explanation
1.5	<p>Due to the Company's stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not comply with Recommendation 1.5 (diversity) in full.</p>
2.1, 4.1, 7.1, 7.3 & 8.1	<p>Due to the size and nature of the existing Board and the magnitude of the Company's current operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas. The Board is of the view that at this stage, the experience and skill set of the current Board is sufficient to perform these roles.</p> <p>As such, the Company does not currently have a Nomination Committee, an Audit and Risk Committee, an internal audit function or a Remuneration Committee as required by Recommendations 2.1, 4.1, 7.1, 7.3 and 8.1 respectively. Pursuant to the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination, Audit and Risk and Remuneration Committees. The roles and responsibilities of these Committees are outlined in the relevant Committee Charters contained in the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>The Board will devote time on an annual basis to discuss Board succession issues and to fulfil the roles and responsibilities associated with both maintaining the Company's internal audit function and arrangements with external auditors and with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Further, all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. The Company's Board Charter also outlines the monitoring, review and assessment of a range of internal audit functions and procedures of the Company.</p> <p>The Company will establish separate Nomination, Audit and Risk and Remuneration Committees once the Company's operations are considered to be of sufficient magnitude to warrant such Committees.</p>



8. Risk Factors

8.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Directors strongly recommend potential investors to consider the risk factors described in Section 3.5 of this Prospectus in addition to those listed below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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

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

8.2 Company-Specific Risks

a. Competition risk

The market in which Appetise participates is competitive and prone to rapid change. Consumers have many choices for takeaway food, including other online takeaway marketplaces, independent restaurants and restaurant chains offering online and mobile application ordering services, as well as restaurants offering telephone-based and walk-in takeaway food services.

In particular, in the online takeaway marketplace market, the Company competes with larger companies, including Just Eat, hungryhouse, Roofoods Limited (trading as Deliveroo), Amazon.com Inc. and Uber Technologies Inc., with greater financial, marketing, technical and other resources, including on the basis of performance, convenience, cost, overall value, and reputation. In particular, Just Eat is widely recognized as the leader in the online takeaway marketplace industry in the United Kingdom, with a majority market share of the takeaway food marketplace market. Just Eat (and such other competitors) are substantially more established than Appetise (whose current market share is negligible compared to theirs), have substantially greater cash resources, marketing budgets, and customer support and IT infrastructures, and orders of magnitude deeper penetration of the consumer and the takeaway restaurant markets. The Company's success will depend on its ability to compete successfully with such larger and more established market participants and win market share from them.

However, a market leader like Just Eat benefits from the "network effect", i.e. more restaurant choices driving more consumer traffic, which drives more restaurant additions to the platform and hence more restaurant choices, to the detriment of its competitors.

Further, competitive pressures from one or more competitors or Appetise's inability to adapt effectively and quickly to a changing competitive landscape could affect demand for Appetise's services and thereby its financial results. In particular, as Appetise does not apply exclusivity arrangements to the restaurants that participate on its platform, such restaurants can simultaneously work with or switch, on an exclusive or non-exclusive basis, to one or more of the Company's competitors, which may result in fewer consumers placing orders via Appetise's platform.

Appetise also faces competition from independent restaurants and restaurant chains that offer online ordering services through their own websites and mobile apps, such as Domino's Pizza Inc. and Yum! Brands, Inc. (Pizza Hut) and similar chains.

In addition, Appetise competes with a wide range of local restaurants offering telephone-based and walk-in takeaway food services, often for established local consumer bases. Appetise may fail to increase its market share if consumers' buying behaviour does not shift towards increased online ordering.

New competitors may emerge, or similar businesses that are currently established in other countries may choose to enter or expand in the United Kingdom.

8. Risk Factors

b. Performance risk

Maintaining and enhancing the numbers of consumer visits to and orders placed on Appetise's platform is critical to the Company's success. Factors important to maintaining and increasing the number of orders on the platform include Appetise's ability to:

1. maintain a convenient, efficient and reliable user experience for both consumers and takeaway restaurants,
2. attract new consumers and takeaway restaurants to the platform at an acceptable customer and restaurant acquisition cost,
3. offer a broad range of takeaway restaurants within a consumer's local area,
4. maintain and monitor its relationships with the takeaway restaurants in its network,
5. manage new and existing technologies and sales channels, including mobile devices,
6. increase awareness of its brands and platform through marketing and promotional activities,
7. obtain or increase purchases from repeat consumers, and
8. assure its consumers of the security of its platform for online purchases.

Failure to adequately manage any of these factors could negatively impact the Company's ability to attract and retain consumers and takeaway and delivery restaurants and maintain or increase the number of orders received, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

There is no assurance that the Company will achieve profitability or maintain financial viability following the Offer.

c. Reputational risks

Developing and maintaining the reputation of, and value associated with, the Appetise brand is of central importance to the success of the Company. Brand identity is a critical factor in retaining existing and attracting new consumers and takeaway restaurants. The Company is highly reliant on direct traffic, "organic" (i.e., listings not dependent on advertising or other payments) and paid internet searches, its presence on social media, and references to it on social media, which all depend on the strength of the Appetise brand.

Promotion and enhancement of the Appetise brand is also expected to depend on Appetise's success in providing a positive experience for consumers ordering takeaway food online and an efficient and effective service for takeaway and delivery restaurants.

Any failure by Appetise or the restaurants on its platform to offer a high quality and efficient experience and excellent customer service to consumers could damage the Company's reputation and the Appetise brand and result in the loss of consumer confidence. Further, negative publicity or reputational damage may be accelerated through social media due to its immediacy and accessibility as a means of communication.

Unfavourable publicity concerning the Company, Appetise, the takeaway restaurants on its platform (including any violation of food hygiene or food labelling regulations by a takeaway restaurant on the platform, as well as systemic problems in the takeaway food industry, such as food contamination or the industry overall), or the Company's or Appetise's respective Boards, officers or employees, will damage the Company's reputation and the Appetise brand, and will thus adversely affect Appetise's ability to generate revenue.

8. Risk Factors

8.2 Company-Specific Risks *continued*

d. Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations or distributions from its subsidiaries (and effectively in particular from Appetise's operations), the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

e. Shareholder dilution

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of issues of Shares or other securities.

f. Limited operations

The Company has limited operations and is dependent on dividends and distributions from its subsidiaries, in particular, Appetise, and may be dependent on equity and debt fund-raising.

g. Geographic risk

While Appetise seeks to compete nationally with larger market participants, its restaurant partners are particularly heavily concentrated in the West Midlands and south west of England, and its current presence (in terms of number of restaurants offered on the platform) in other geographic areas of the United Kingdom needs to be expanded substantially.

If Appetise is unable to expand significantly the number of restaurants offered on the platform in a given local area, it will be difficult for it to compete successfully in that local area. If Appetise is unable to compete successfully in the key UK population centres, it will be unable to compete as a national market participant and take advantage of the network effect nationally, which will in turn negatively affect its viability.

h. Restaurant concentration risk

Even though Appetise's platform includes approximately 400 restaurants, many of these restaurants have not had any or a meaningful number of orders placed by consumers through the platform, and a majority of Appetise's revenues has historically been derived from consumer orders from a much more limited number of restaurants. A removal of such restaurants (or other restaurants constituting a substantial percentage of Appetise's sales in the future) from the platform for any reason (including their closure or election to cease utilising Appetise specifically or online takeaway marketplaces overall) will have a substantial negative effect on Appetise's financial performance.

i. Consumer concentration risk

Even though Appetise's platform includes approximately 90,000 registered users, most of these consumers have not placed repeat orders or have not placed orders through the Appetise platform recently. Consequently, a majority of Appetise's revenues has historically been derived from consumer orders from a much more limited number of consumers. A failure to retain such key users (or other consumers contributing a substantial percentage of Appetise's sales in the future) on the platform for any reason will have a substantial negative effect on Appetise's financial performance.

8. Risk Factors

j. Dependence on search engines, social media platforms, pay-per-click marketing, and app stores or app marketplaces

Consumers may access the Appetise website by clicking on links contained in search engines' organic search results. Transactions effected by these consumers result in higher gross margins for Appetise as search engines do not charge to rank websites in their organic search results.

Appetise endeavours to enhance the relevance of its website to common consumer search queries and thereby improve the rankings of its website in organic search results, a process known as "search engine optimisation" or "SEO". Search engines frequently modify their algorithms and ranking criteria, which could impair Appetise's SEO activities resulting in a decrease in traffic to its website. Further, an outright exclusion of Appetise's web site from search engines' organic search results would significantly reduce Appetise's ability to direct higher margin consumer traffic to its platform, thereby increasing consumer acquisition costs.

Similarly, an exclusion of Appetise from the key social media platforms, such as Facebook, Instagram and Twitter, or an incurrence of negative feedback on social media, would negatively affect consumer and restaurant acceptance of Appetise.

Further, a large part of the Company's marketing budget is expected to be spent on pay-per-click marketing. In general, pricing for pay-per-click marketing is dynamic and depends on bidding on a keyword-by-keyword basis. The cost per acquisition for the Company can therefore be influenced by competition, particularly given that the larger competitors can outspend and outbid the Company in pay-per-click marketing.

Further, Appetise relies on the ability of consumers to download its mobile applications through an app store or app marketplace. If Appetise's mobile applications are excluded from app stores or app marketplaces, or if they incur negative or insufficiently positive ratings from their users, consumer acceptance of Appetise and therefore its revenue will be detrimentally affected.

k. Information technology system failure risk

Appetise is reliant on a number of its own and third party, interconnected information technology (IT) systems, such as payment gateways, mobile apps, ordering interface and restaurant interface, in its business. The efficient operation of Appetise's IT systems is critical, therefore, to attracting and retaining takeaway restaurants and consumers.

Appetise has, and necessarily will continue to, from time to time, experience IT system errors and failures, due to a combination of one or more of the following: equipment failures, computer server or system failures, platform outages, human error, network outages, software design and performance problems and power failures.

l. Intellectual property risk

Although Appetise owns the Appetise platform and all other intellectual property utilised by the Company and Appetise, such intellectual property (other than the Appetise name and logo) is not protected by patents or registered design rights, which means that the Company cannot preclude or inhibit competitors from entering the same market if they develop the same or similar technology independently. The Appetise name and logo have been registered as trademarks in the United Kingdom and the European Union.

There are no guarantees that the Company's intellectual property will be protected. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information. Competition in retaining and sustaining protection of intellectual property can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection. Further, it is possible that third parties may assert intellectual property infringement, unfair competition or like claims against Appetise or the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it or Appetise has an interest, such claims, if made, may harm, directly or indirectly, the Company's business.

8. Risk Factors

8.2 Company-Specific Risks *continued*

l. Intellectual property risk *continued*

If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations.

m. Risk of hacking, viruses, fraud and malicious attack

Like all online services, Appetise is vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload its servers with distributed denial-of-service attacks, misappropriation of data through website scraping and other attacks or similar disruptions from unauthorized use of computer systems. Appetise relies on encryption and authentication technology to provide the security necessary to effect the secure transmission of information from its consumers, such as credit or debit card numbers. The Company cannot guarantee absolute protection against unauthorised attempts by third parties or its current or former employees to access its IT systems, including malicious third party applications that may interfere with or exploit security flaws in its products and services.

Viruses, worms and other malicious software programmes could, amongst other things, jeopardise the security of information stored in a user's computer or in the Company's computer systems or attempt to change the internet experience of users by interfering with the Company's ability to connect with its users. Hackers may also act in a coordinated manner to launch denial of service attacks or other coordinated attacks that may cause the Company's or other systems to experience service outages or other interruptions or result in the creation of fraudulent transactions. If the Company's systems were to be compromised, or if the Company's websites or other systems were to experience service outages or other interruptions, the Company's reputation may be harmed and its business may be materially adversely affected.

n. Payment systems risk

Appetise's customers may choose from a range of payment methods, including credit cards and debit cards and other electronic payment methods. Appetise pays fees and other charges for the processing of credit and debit card payments, which may increase over time and raise operating costs and lower gross margins. The Company relies on third parties to provide these payment processing services in relation to credit and debit card payments, and if these banks, companies or other payment service, merchant account and other financial service providers, become unwilling or unable to provide such services or increase the costs of providing such services, the Company's operations may be disrupted or in an extreme case, untenable, or its operating costs could increase.

In addition, allowing payment to be made by credit and debit cards exposes the Company to the risk of fraud and the associated costs to business. Credit card and other electronic payment fraud could materially impact the Company's profitability. In addition to constituting a substantial direct cost to the business, high levels of payment card fraud would result in the Company having to comply with additional requirements or pay higher payment processing fees or fines or, ultimately, losing its ability to process electronic payments. Further, permitting online payment options increases the risk of fraud.

o. Regulatory risks

Increased or changing regulations relating to any of the following – the food industry, the internet, online retail, electronic marketing, privacy, electronic payments, and consumer protection – may affect the operations of takeaway restaurants on the Appetise platform, the cost of operating the Appetise platform, the desirability of utilizing the platform by consumers and/or restaurants, and/or the ability of Appetise to operate the platform itself. Compliance with such new regulations may require significant investment by takeaway restaurants and, as the case may be, Appetise, which could result in substantial costs to the Company, or in its inability to operate Appetise's platform at all.

8. Risk Factors

p. Acquisitions

The Company's growth strategy may involve finding and consummating acquisitions in areas complimentary to Appetise's business. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. Further, the Company will experience competition in making acquisitions from larger companies with significantly greater resources.

q. Strategies

There are no limits on strategies that the Company may pursue. The strategy discussed in this Prospectus may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice, and otherwise in the Company's sole discretion. As a result, the strategy, approaches, markets and products described in this Prospectus may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

r. Contracts in general

There are a number of risks associated with contracts entered into by the Company or Appetise, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms or contain uncapped liability in the event of the Company's or Appetise's wrongful or fraudulent acts.

s. Litigation

The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

t. Foreign exchange

The Company will be operating in at least two jurisdictions (the United Kingdom and Australia) and as such, expects to incur costs and expenses in more than one currency. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the British Pound relative to the Australian dollar could result in a foreign currency gain or loss.

u. Insurance coverage

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as professional indemnity, cyber insurance, product liability and third party liability insurance; however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected. Investors should note that the Company currently has no insurance policies in place in respect of its business or assets. The Company intends to insure its operations in accordance with industry practice once the Company's operations are of a sufficient magnitude. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

8. Risk Factors

8.2 Company-Specific Risks *continued*

v. Weather risk

Demand for takeaway food in the United Kingdom is seasonal and subject to weather conditions. Order numbers across the takeaway food industry are typically higher during autumn and winter, when consumers are less likely to dine out due to the shorter daylight hours and likelihood of bad weather; conversely, orders decline in number during the warmer spring and summer months, when conditions are more conducive to dining out or other alternatives such as barbecues. Unexpected or atypical fluctuations in weather, particularly extended periods of warm conditions, may have a significant negative effect, therefore, on the number of orders placed through Appetise's platform. Conversely, particularly harsh weather may preclude the ability of Appetise's restaurant partners to effect deliveries thus negatively affecting order numbers.

w. Data protection risk

Appetise processes personal data of restaurant owners and consumers, some of which may be sensitive, as part of its business. Appetise's operations may be subject to investigative or enforcement action by the Information Commissioner's Office in the UK, legal claims and reputational damage if it acts or is perceived to be acting inconsistently with the terms of its privacy policy, consumer expectations or the law in relation to data protection and privacy.

Appetise is subject to stringent data protection and privacy laws and may therefore be exposed to increased compliance costs, including as a result of confidentiality and security breaches. The entry into force on 25 May 2018 of the General Data Protection Regulation (GDPR) will impose even more stringent data protection obligations, resulting in higher compliance burdens for Appetise. Further, the European Commission's proposed Regulation on Privacy and Electronic Communications (PECR) (to enter into force at or around the same time as the GDPR) will increase the compliance obligations of those using electronic means to send marketing communications and those using technologies such as cookies to track the activities of customers and potential customers. The proposed PECR also provides for significant increases in penalties for those that fail to meet these new standards, in line with those under the GDPR.

Under UK national law, Appetise is required to release personal data to governmental authorities, such as tax authorities and law enforcement authorities. Due to increasing numbers of consumers and restaurants, the number of such governmental requests may increase and impose additional burdens on Appetise. Any legally required release of personal information may result in negative publicity for Appetise.

From time to time, concerns may be expressed about whether Appetise's service compromises the privacy of consumers using its platform. Concerns about Appetise's collection, use or sharing of personal information or other privacy-related matters, even if unfounded, could damage Appetise's reputation.

In addition, there can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments will not result in a compromise or breach of the processes used by Appetise to protect consumer transaction data. Such personal data could become public if there were a security breach in respect of such data and, if one were to occur, Appetise could face liability under data protection laws and lose the goodwill of its consumers, which may have a material adverse effect on Appetise's business, financial condition, results of operations and prospects.

8. Risk Factors

8.3 General Risks

a. Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

b. Market conditions

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

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

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

Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.

c. Price of Shares

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.

Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 3.11 for further details on the Shares likely to be classified by the ASX as restricted securities.

d. Investment speculative

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

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

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



9. Financial Information & Investigating Accountant's Report

9.1 Introduction

The Company was incorporated on 6 June 2017 for the primary purpose of acquiring Appetise Limited (a company incorporated in England and Wales) (Appetise), as well as managing and operating Appetise's business.

The financial information in this Section 9 includes:

- ▶ **Statutory Historical Financial Information**, being the:
 - statutory historical income statements of Appetise for the financial years ending 31 March 2015, 31 March 2016 and 31 March 2017;
 - statutory historical statement of cash flows of Appetise for the financial years ending 31 March 2015, 31 March 2016 and 31 March 2017;
 - statutory historical statements of financial position of Appetise as at 31 March 2015, 31 March 2016 and 31 March 2017;
- ▶ **Pro Forma Historical Financial Information**, being the pro forma historical statement of financial position of the Company group as at 31 March 2017.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are collectively the Financial Information.

Appetise has a 31 March financial year end. As such, any references in this Section to "FY" refer to a 31 March financial year end.

Also summarised in this Section 9 are:

- ▶ the basis of preparation and presentation of the Financial Information (see Section 9.2); and
- ▶ the Company's proposed dividend policy (see Section 9.11).

The Financial Information has been reviewed and reported on by HLB Mann Judd Corporate (NSW) Pty Ltd whose Investigating Accountant's Report is contained in this Section 9. Investors should note the scope and limitations of the report.

The information in this Section 9 should also be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars unless otherwise stated.

9.2 Basis of preparation and presentation of the Financial Information

9.2.1 Overview

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the UK Generally Accepted Accounting Practice (UK GAAP) and Appetise's adopted accounting policies in the United Kingdom.

Appetise is based in the United Kingdom, resulting in the use of UK GAAP in the preparation of its financial information, including the financial information presented in this Prospectus. UK GAAP accounting standards have some differences to the International Financial Reporting Standards (IFRS), which are required to be used for the preparation of Financial Information used in a Prospectus by the ASX (Listing Rule 1.3.5). A reconciliation has been prepared between the Financial Information prepared under UK GAAP and the Financial Information if prepared under IFRS. This reconciliation is included in Section 9.7, no material differences were noted between the presentation of the information under UK GAAP and IFRS.



9.2 Basis of preparation and presentation of the Financial Information continued

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

Appetise's key accounting policies have been consistently applied throughout the periods and are set out in Section 9.6.

9.2.2 Preparation of Historical Financial Information

The Statutory Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus and is a summarised version of the audited statutory financial statements of Appetise for the periods ending 31 March 2015, 31 March 2016 and 31 March 2017. The statutory financial statements were audited by Crowe Clark Whitehill LLP.

9.2.3 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited statutory financial statements of Appetise for the period ended 31 March 2017 after adjusting for certain pro forma transactions and/or other adjustments.

During June to August 2017, an internal restructure was completed resulting in a newly incorporated company, Appetise (Holdings) Limited, becoming the ultimate parent of Appetise.

The Directors have elected to account for the restructure as a capital re-organisation rather than a business combination.

In the Directors' judgement, the continuation of existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to an initial public offer of securities and most appropriately reflects the substance of the internal restructure. As such, the consolidated financial statements of the Company will be presented as a continuation of the pre-existing accounting values of assets and liabilities in the Appetise financial statements.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information with adjustments made to reflect the impact of the operating and capital structure that will be in place following completion by the Company of the restructure and the Offer as if they had occurred at 31 March 2017.

Refer to Section 9.5 for a reconciliation between the audited statutory historical balance sheet of Appetise, and the pro forma historical balance sheet, as at 31 March 2017.

9. Financial Information & Investigating Accountant's Report

9.2.4 Foreign currency conversion

Appetise's functional currency is British pounds sterling due to the current operations being located in the United Kingdom. For each table within the financial section of this Prospectus the relevant information has been restated in Australian dollars. To translate the financial information into Australian dollars (\$AUD) we have used the following conversion rates based on the Reserve Bank of Australia's (RBA) published foreign exchange rate tables:

Foreign Currency Conversion Rates

£GBP to \$AUD exchange rate	31 March 2015	31 March 2016	31 March 2017
Average annual rate used in translating the statutory historical income statement	1.8444	2.0468	1.7289
Exchange rate used in translating the statutory (and pro forma historical) statement of financial position	1.9365	1.8734	1.6324

9.3 Statutory Historical Income Statements

9.3.1 Overview

The table below sets out the statutory historical income statements for the financial year ending 31 March 2015, 31 March 2016 and 31 March 2017. The statutory historical income statements are presented in Australian dollars (\$AUD).

Statutory Historical Statement of Cash Flows

\$AUD	FY2015	FY2016	FY2017
Revenue from continuing operations	98,201	91,715	49,172
Cost of sales	(17,514)	(19,848)	(24,187)
Gross profit	80,687	71,867	24,985
Operating expenses			
General and administrative	(75,873)	(88,594)	(918,552)
Selling and marketing	(6,647)	(3,561)	(322,616)
Total operating expenses	(82,520)	(92,155)	(1,241,168)
Operating loss	(1,833)	(20,288)	(1,216,183)
Other income (expenses)			
Exceptional income	-	-	83,897
Depreciation	(3,720)	-	(24,972)
Total other (expenses)/ income	(3,720)	-	58,925
Loss before tax	(5,553)	(20,288)	(1,157,258)
Income tax expense	-	-	-
Statutory loss	(5,553)	(20,288)	(1,157,258)

9. Financial Information & Investigating Accountant's Report

9.4 Statutory Historical Statement of Cash flows

9.4.1 Overview

The table below sets out the statutory historical statement of cash flows for the financial year ending 31 March 2015, 31 March 2016 and 31 March 2017. The statutory historical statements of cash flows are presented in Australian dollars (\$AUD).

Statutory Historical Statement of Cash Flows			
\$AUD	FY2015	FY2016	FY2017
Cash flows from operating activities			
Receipts from clients	110,596	90,478	36,931
Payments to suppliers and employees	(121,266)	(89,838)	(1,222,616)
Net cash (used in)/provided by operating activities	(10,670)	640	(1,185,685)
Cash flows from investing activities			
Purchase of intangible assets	-	-	(137,167)
Purchase of fixed assets	-	-	(7,182)
Net cash used in investing activities	-	-	(144,349)
Cash flow from financing activities			
Proceeds from share issue	44	176	1,469,545
Net cash provided by financing activities	44	176	1,469,545
Net (decrease)/increase in cash	(10,626)	816	139,511
Cash, beginning of year	38,692	28,066	28,882
Cash, end of year	28,066	28,882	168,393

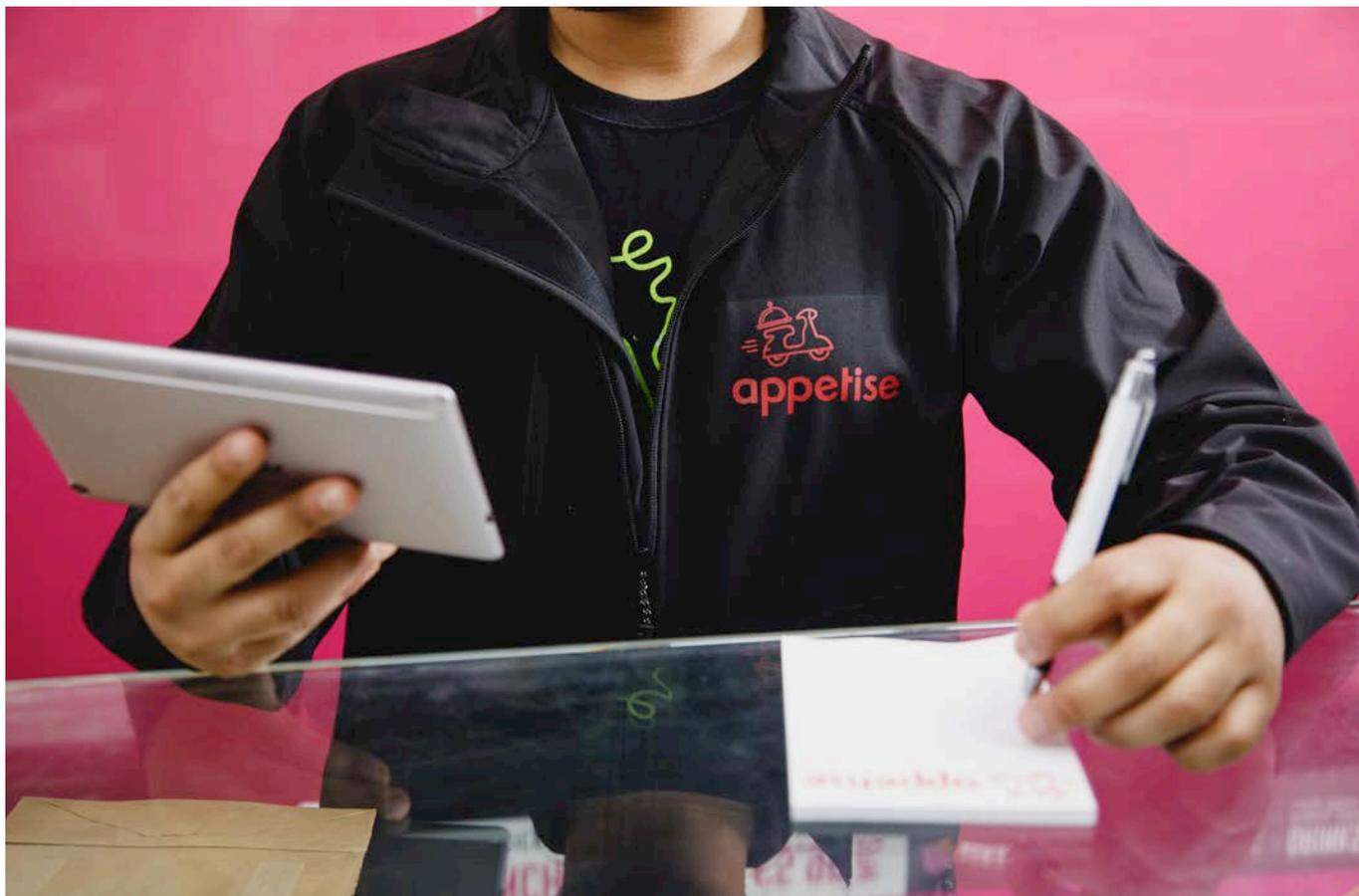
9. Financial Information & Investigating Accountant's Report

9.5 Statutory and Pro Forma Historical Statement of Financial Position

9.5.1 Overview

The tables below set out the audited statutory historical statements of financial position as at 31 March 2015, 31 March 2016 and 31 March 2017.

	Statutory Historical Statement of Financial Position		
\$AUD	FY2015	FY2016	FY2017
Current assets			
Cash and cash equivalents	28,066	28,882	168,393
Other receivables	-	142	50,635
Total current assets	28,066	29,024	219,028
Non-current assets			
Property, plant and equipment	-	-	5,455
Intangible assets	-	-	137,213
Total non-current assets	-	-	142,668
Total assets	28,066	29,024	361,696
Current liabilities			
Trade payables	2,310	-	75,672
Other taxation and social security	11,245	7,531	10,452
Other payables	14,592	39,990	6,874
Accrued expenses and other	1,840	1,778	59,607
Related party liability	641	613	-
Total current liabilities	30,628	49,912	152,605
Non-current liabilities			
Related party liability	80,171	77,559	-
Total non-current liabilities	80,171	77,559	-
Total liabilities	110,799	127,471	152,605
Net assets	(82,733)	(98,447)	209,091
Equity			
Issued capital	155,007	150,117	1,518,346
Retained earnings	(237,740)	(248,564)	(1,309,255)
Total equity	(82,733)	(98,447)	209,091



9.5 Statutory and Pro Forma Historical Statement of Financial Position continued

9.5.2 Commentary on major items included in the Historical Statement of Financial Position for Appetise:

The key items included in the consolidated statement of financial position of Appetise as at 31 March 2017 are:

- ▶ Cash and cash equivalents – these funds are held by local financial institutions in interest bearing accounts and are readily available for use by Appetise.
- ▶ Accounts Payable – relates to amounts payable to third parties in relation to goods and services provided to Appetise.

9.5.3 Pro Forma Consolidated Statement of Financial Position:

The tables below set out the pro forma historical statement of financial position as at 31 March 2017. The pro forma historical statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

9. Financial Information & Investigating Accountant's Report

9.5.3 Pro Forma Consolidated Statement of Financial Position: continued

\$AUD	Audited	Minimum Subscription		Full Oversubscription	
	As at 31 March 2017	Pro forma Adjustments	Pro forma	Pro forma Adjustments	Pro forma
Current assets					
Cash and cash equivalents	168,393	4,050,000	4,218,393	5,870,000	6,038,393
Other receivables	50,635		50,635		50,635
Total current assets	219,028	4,050,000	4,269,028	5,870,000	6,089,028
Non-current assets					
Property, plant and equipment	5,455		5,455		5,455
Intangible assets	137,213		137,213		137,213
Total non-current assets	142,668	-	142,668	-	142,668
Total assets	361,696	4,050,000	4,411,696	5,870,000	6,231,696
Current liabilities					
Trade payables	75,672		75,672		75,672
Other taxation and social security	10,452		10,452		10,452
Other payables	6,874		6,874		6,874
Accrued expenses and other	59,607		59,607		59,607
Total current liabilities	152,605	-	152,605	-	152,605
Total liabilities	152,605	-	152,605	-	152,605
Net assets	209,091	4,050,000	4,259,091	5,870,000	6,079,091
Equity					
Issued capital	1,518,346	4,368,000	5,886,346	6,188,000	7,706,346
Retained earnings	(1,309,255)	(1,015,000)	(2,324,255)	(1,015,000)	(2,324,255)
Share options reserve	-	697,000	697,000	697,000	697,000
Total equity	209,091	4,050,000	4,259,091	5,870,000	6,079,091

9. Financial Information & Investigating Accountant's Report

9.5 Statutory and Pro Forma Historical Statement of Financial Position continued

9.5.4 Notes on the Pro Forma Consolidated Statement of Financial Position:

The pro forma statement of financial position as at 31 March 2017 is based on the consolidated statements of financial position of Appetise and the Company as at 31 March 2017 after allowing for the following adjustments:

- ▶ Restructure - the acquisition of 100% of the equity interests in Appetise by the Company in consideration of the issue of 45,000,001 Shares in the Company.
- ▶ The pro forma statement of financial position reflects the net impact of the proposed capital raising under the Offer. These include the following:
 - A minimum subscription of \$4,800,000 (24,000,000 shares at \$0.20 each) under the Offer, and the full oversubscription of \$6,800,000 (34,000,000 shares at \$0.20 each) under the Offer respectively;
 - Expenses of the Offer totalling \$750,000 (Minimum Subscription) and \$930,000 (Oversubscription) respectively (refer to Section 11.8). These represent gross expenses of the Offer, subsequent to 31 March 2017 certain expenses have already been paid in full, in the order of \$13,102;
 - 7,622,600 Options to be issued to Directors and Management (as remuneration for services). The Options have an exercise price of \$0.30 each within 36 months of the issue (or vesting) date (refer to Sections 3.17 and 11.3). The Options in this category have been valued at \$697,000 (\$0.09 per Option) using the Black-Scholes method, utilising inputs that are relevant at the date of this Prospectus. However, in line with Australian Accounting Standards, an option's value can only be measured using inputs relevant at the time of the option's issue. As such, this value is purely indicative and may change at the date the Company is admitted to the Official List.

9.5.5 Pro Forma Cash Reconciliation:

The table below details the reconciliation of the pro forma cash balance of the Company group as at 31 March 2017, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in Section 9.5.4.

	Pro Forma Historical Cash Reconciliation	
	(Minimum Subscription)	(Full Oversubscription)
	\$AUD	\$AUD
Cash Reconciliation		
Cash at 31 March 2017	168,393	168,393
Capital raising	4,800,000	6,800,000
Expense of offer	(750,000)	(930,000)
Pro forma cash balance	4,218,393	6,038,393

9. Financial Information & Investigating Accountant's Report

9.5.6 Pro Forma Issued Capital Reconciliation:

The table below details the reconciliation of the pro forma issued capital balance of the Company group as at 31 March 2017, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in Section 9.5.4.

	Pro Forma Historical Issued Capital Reconciliation	
	(Minimum Subscription)	(Full Oversubscription)
	\$AUD	\$AUD
Issued Capital Reconciliation		
Statutory balance at 31 March 2017 ¹ :	1,518,346	1,518,346
Subscription of new capital	4,800,000	6,800,000
Expense of offer (equity portion)	(432,000)	(612,000)
Pro forma Issued Capital balance	5,886,346	7,706,346

¹ The statutory balance at 31 March 2017 includes a share premium balance of \$154,311.

9.5.7 Pro Forma Retained Earnings Reconciliation:

The table below details the reconciliation of the pro forma retained earnings balance of the Company group as at 31 March 2017, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in Section 9.5.4.

	Pro Forma Historical Retained Earnings Reconciliation	
	(Minimum Subscription)	(Full Oversubscription)
	\$AUD	\$AUD
Balance at 31 March 2017:	(1,309,255)	(1,309,255)
Options expense	(697,000)	(697,000)
Expense of offer (P&L portion)	(318,000)	(318,000)
Pro forma Retained Earnings balance	(2,324,255)	(2,324,255)

9. Financial Information & Investigating Accountant's Report

9.6 Summary of Significant Accounting Policies

Set out below are a number of significant accounting policies and other material accounting matters that have been used in the preparation of the financial information in this Section.

9.6.1 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company group and the results of all subsidiaries for each applicable period then ended.

The subsidiaries are all entities over which the Company has the power to govern the financial and operating policies of those subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations made by the Company group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the investing entity.

9.6.2 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within current liabilities on the statement of financial position.

9.6.3 Accounts Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors. Trade receivables are generally due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

9.6.4 Accounts Payable

Trade and other payables represent the liabilities for goods and services received by Appetise that remain unpaid at the end of the reporting period. The balance is recognised as a current liability.

9.6.5 Revenue

Revenue comprises the fair value for the sale of goods and services, excluding, rebates and discounts. Revenue is recognised as follows:

Sales of Services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

9.6.6 Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of Appetise is measured using the currency of the primary economic environment in which that entity operates, being British pounds sterling. The consolidated financial statements of the Company are presented in Australian dollars, and the financial statements of Appetise are presented in Australian dollars, which are the respective entities' presentation currencies. The pro forma statement of financial position has been presented in Australian dollars using the exchange rate prevailing at the reporting date.

9. Financial Information & Investigating Accountant's Report

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency is translated as follows:

- ▶ Assets and liabilities are translated at year or other period end exchange rates prevailing at that reporting date.
- ▶ Income and expenses are translated on the average exchange rate for the related period i.e. the average exchange rate from 1 April 2016 to 31 March 2017 has been used to translate the income and expenses for the 12 month period ending 31 March 2017; the average exchange rate from 1 April 2015 to 31 March 2016 has been used to translate the income and expenses for the year ending 31 March 2016; and the average exchange rate from 1 April 2014 to 31 March 2015 has been used to translate the income and expenses for the year ending 31 March 2015.
- ▶ Retained earnings are translated at the exchange rates prevailing at the date of the transaction.
- ▶ Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position.

9.7 Reconciliation between UK GAAP and IFRS

The Directors have performed an assessment of the variances between the application of UK GAAP and IFRS in the preparation of Appetise's audited financial statements for the period ended 31 March 2017, which is also the basis of the pro forma statement of financial position in Section 9.5.1. Following this review the Directors have not identified any material differences in the value or presentation of assets and liabilities recognised in the pro-forma statement of financial position, nor in the value of the net profit disclosed for the periods ended 31 March 2015, 2016 and 2017 in UK GAAP or IFRS.

9.8 Cash Balance as at 6 September 2017

The table below details the indicative cash balance of the Company group as at 6 September 2017, reflecting the cash movements from 1 April 2017 to that date, but prior to the completion of the Offer. Amounts denominated in British pounds sterling have been translated to \$AUD applying the foreign currency exchange rate of £GBP 1 to \$AUD 1.6324.

Cash Balance as at 6 September 2017

	\$AUD
Cash at 31 March 2017	168,393
Proceeds from issue of ordinary shares	870,069
Part payment of expenses of offer	(13,102)
Net cash generated from operation to 6 September 2017	(582,659)
Cash balance at 6 September 2017	442,701



9.9 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company group are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.10 Funding

The funding for the Company's short to medium term activities will be generated from the Offer under this Prospectus (see Sections 3 and 5). As and when further funds are required, the Company may raise additional capital from the issue of securities.

9.11 Dividend policy

Depending on available profits and the financial position of the Company, it is not the current intention of the Board to declare dividends in respect of the year ending 31 March 2018. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and financial condition of the Company, future funding requirements, capital management initiatives, tax considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend in future periods. There may be periods in respect of which dividends are not paid.

Please read the risk factors set out in Section 8.

20 September 2017

Board of Directors
Appetise (Holdings) Limited
Level 29, 201 Elizabeth Street
Sydney NSW 2000

Dear Board of Directors

**INVESTIGATING ACCOUNTANTS REPORT
APPETISE (HOLDINGS) LIMITED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION**

Introduction

HLB Mann Judd Corporate (NSW) Pty Ltd (“HLBMJC”) has been engaged by Appetise (Holdings) Limited (“the Company”) to prepare this Investigating Accountants Report (“the Report”) for inclusion in the Replacement Prospectus to be dated on or around 20 September 2017 (“Prospectus”), and to be issued by the Company in respect of the initial public offering of shares in the Company. The Company was incorporated on 6 June 2017 and controls all of the issued capital of Appetise Limited (“Appetise”).

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

Scope

Historical Financial Information

You have requested HLBMJC to review the following historical financial information of the Company and controlled entities included in the Prospectus:

- Historical Income Statements of Appetise for the years ended 31 March 2015, 2016 and 2017;
- Historical Statements of Cash Flows of Appetise for the years ended 31 March 2015, 2016 and 2017; and
- Historical Statement of Financial Position of Appetise as at 31 March 2015, 2016 and 2017,

(collectively the “Historical Financial Information”)

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in UK Generally Accepted Accounting Practice (UK GAAP) and Appetise’s adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Appetise for the years ended 31 March 2015, 2016 and 2017, which was audited by Crowe Clark Whitehill LLP in accordance with the UK Generally Accepted Accounting Practice (UK GAAP). Crowe Clark Whitehill issued an unmodified audit opinion on the financial reports. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested HLBMJC to perform limited assurance procedures in relation to the pro forma Historical Financial Position of the Company included in the Prospectus.

The pro forma historical financial information has been derived from the Historical Financial Information of the Company and Appetise as at 31 March 2017, after adjusting for the effects of pro forma adjustments described in section 9.5.3 and 9.5.4 of the Prospectus (collectively the “Pro Forma Historical Financial Information”).

HLB Mann Judd Corporate (NSW) Pty Ltd ANB 94 003 918 125

Level 19, 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190
Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

HLB Mann Judd Corporate (NSW) Pty Ltd is a member of  International. A world-wide network of independent accounting firms and business advisers.

Pro Forma Historical Financial Information (continued)

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in sections 9.5.3 and 9.5.4 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position.

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

Directors' responsibility

The directors of Appetise (Holdings) Limited are responsible for the preparation of the Historical and Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Historical Financial Information and included in the Pro Forma Historical Information. The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions***Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 9.5 of the Prospectus, and comprising:

- Historical Income Statements of Appetise for the years ended 31 March 2015, 2016 and 2017;
- Historical Statements of Cash Flows of Appetise for the years ended 31 March 2015, 2016 and 2017; and
- Historical Statements of Financial Position of Appetise as at 31 March 2015, 2016 and 2017,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9.2 of the document.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the Pro Forma Statement of Financial Position as at 31 March 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 9.2 of the document.

Independence

HLBMJC does not have any interest in the outcome of the proposed initial public offering, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. From time to time, HLB Mann Judd may also provide the Company with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

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

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

Our Financial Services Guide follows this Report.

Yours faithfully



N J Guest
Authorised Representative

FINANCIAL SERVICES GUIDE

Dated 20 September 2017

1. HLB Mann Judd Corporate (NSW) Pty Ltd

HLB Mann Judd Corporate (NSW) Pty Ltd ABN 94 003 918 125 (“**HMJC**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a Report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, No. 253134**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, securities valuations or reports and to provide general financial product advice for the following classes of financial products:

- (i) debentures, stocks or bonds issued or proposed to be issued by a government;
- (ii) interests in managed investment schemes excluding investor directed portfolio services;
- (iii) securities; and
- (iv) superannuation;

to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared for the shareholder group as a whole without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HMJC, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HMJC has no employees. All personnel who complete reports for HMJC are either partners of, or personnel employed by, HLB Mann Judd's New South Wales Partnership. None of those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HMJC is wholly owned by HLB Mann Judd (NSW) Pty Limited. Also, all directors of HMJC are partners in HLB Mann Judd's New South Wales Partnership. Ultimately the partners of HLB Mann Judd's New South Wales Partnership own and control HMJC.

From time to time HMJC, HLB Mann Judd (NSW) Pty Ltd or HLB Mann Judd's New South Wales Partnership may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

9. Complaints resolution

9.1. Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (NSW) Pty Ltd, Level 19, 207 Kent Street NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2. Referral to external disputes resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3, Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.



10.

Material Contracts

10.1 Lead Manager Mandate – Beer & Co Pty Ltd

The Company has entered into a lead manager mandate with Beer & Co Pty Ltd (**Beer & Co**) dated 8 August 2017, pursuant to which Beer & Co (via its wholly owned subsidiary, Melbourne Venture Securities Pty Ltd) have agreed to act as lead manager of the Offer (**Mandate**).

In consideration for services provided under the Mandate, the Company will pay Beer & Co:

- a. a capital raising fee equal to 7% of the total funds raised by Beer & Co under the Offer, excluding funds raised by parties introduced by the Company (**Capital Raising Fee**);
- b. a management fee equal to 2% of the total funds raised under the Offer;
- c. a monthly corporate advisory fee of \$10,000 commencing from the date of the Mandate, for a maximum period of 6 months until the date the Company is admitted to the Official List;
- d. all reasonable expenses incurred by Beer & Co in the delivery of its services.

Beer & Co shall manage the appointment of other brokers engaged to assist with the Offer. All selling fees to third parties shall be paid by Beer & Co from the Capital Raising Fee.

The Mandate may be terminated at any time with 30 days written notice by either party. On termination Beer & Co will be entitled to the following:

- a. the Capital Raising Fee, provided the Company completes the Offer within 12 months of the date of the Mandate, and to the extent funds are raised from persons introduced by Beer & Co;
- b. the management fee and corporate advisory fees, provided that:
 - i. Beer & Co substantially performs its services under the Mandate and the Company completes the Offer within 9 months of the date of the Mandate;
 - ii. the Mandate is not terminated by the Company with cause by reason of a breach by Beer & Co; and
 - iii. the Mandate is not terminated by Beer & Co without cause by providing 30 days written notice to the Company; and
- c. reasonably incurred expenses incurred up to the date of termination or expiry of the Mandate.

The Lead Manager Mandate is otherwise made on standard terms and conditions.

10.2 Employment Agreements – Konstantinos Karampatsos, Richard Hateley and Alex Petrogiannis

Appetise has entered into employment agreements (**Employment Agreements**) with each of Konstantinos Karampatsos, Richard Hateley and Alex Petrogiannis (**Executives**) dated 20 March 2017, 9 May 2017 and 19 June 2017 respectively, pursuant to which Appetise has engaged Mr Karampatsos as Chief Executive Officer, Mr Hateley as Chief Finance Officer and Mr Petrogiannis as Marketing Director. Further, the Company has also entered into letter agreements with Mr Karampatsos and Mr Hateley pursuant to which they are also appointed as Chief Executive Officer and Chief Finance Officer of the Company respectively.

The material terms and conditions of the Employment Agreements are summarised below:

a. Term:

Mr Karampatsos commenced his employment on 21 March 2017, Mr Hateley commenced his employment on 9 May 2017 and Mr Petrogiannis commenced his employment on 3 July 2017. Each Employment Agreement continues until terminated in accordance with its terms.

10.

Material Contracts

b. Remuneration:

- i. Mr Karampatsos will receive:
 - A from the commencement of his appointment, a salary of approximately \$204,050; and
 - B in the event that the Company becomes a public listed company, a bonus of not less than approximately \$122,430.

- ii. Mr Hateley will receive:

- A from the commencement of his employment, a salary of approximately \$146,920 which will be increased to \$195,888 from the earlier of the date the Company becomes a public listed company and the date following 6 months from the commencement date; and
- B in the event that the Company becomes a public listed company, a bonus of not less than approximately \$81,620.

- iii. Mr Petrogiannis will receive from the commencement of his employment, a salary of approximately \$138,750.

c. Incentive Programs:

The Executives may participate in any incentive plan that the Company may introduce from time to time. The Executives may also be entitled to be paid a discretionary bonus in the form of a cash or equity bonus at the absolute discretion of the Board, subject to regulatory approval.

The Employment Agreements provide that in the event that the Company becomes a publicly listed company, Mr Karampatsos will be issued 2,600,000 Options,

Mr Hateley will be issued 1,450,000 Options and Mr Petrogiannis will be issued 286,300 Options on the terms set out in Sections 3.17 and 11.3.

d. Termination:

The Company may immediately terminate the employment of Mr Karampatsos or Mr Hateley or Mr Petrogiannis by written notice for a number of standard events including, but not limited to, if at any time such Executive:

- i. commits a serious or repeated or continual breach of the obligations under their Executive Agreement;
- ii. is guilty of any serious misconduct or serious neglect or dishonesty in the discharge of their duties under their Executive Agreement; or
- iii. act in a manner which, in the reasonable opinion of the Company, brings the name or reputation of the Company or any member of the Company group into serious disrepute or prejudices the interests of the business of the Company.

The Company may terminate the Executive Agreements for any reason by giving 40 (or 30 in the case of Mr Petrogiannis) days' notice. The Executives may resign at any time and for any reason by giving the Company 40 (or 30 in the case of Mr Petrogiannis) days' notice in writing.

The Executive Employment Agreements contains other standard terms and conditions expected to be included in contracts of this nature.

10.3 Restaurant Agreement

Appetise has entered into an agreement (**Restaurant Agreement**) with the majority of its restaurant partners which sets out the terms and conditions by which Appetise provides a public-facing online presence for each restaurant (**Restaurant**) on its online shopping platform at www.appetise.com (**Platform**). Under the Restaurant Agreement, Appetise procures the hosting of the Platform, supports and maintains the Platform and permits the Restaurant to advertise and offer for sale products on the Platform and sell them to customers through the Platform. All of the Restaurants on the Platform have provided Appetise with their menus and bank details. Of the approximately 400 restaurants on Appetise's Platform, 52% have signed a hard copy of the Restaurant Agreement, and the rest conduct their business with Appetise under the terms of the Restaurant Agreement without having provided a signed hard copy (due to Restaurants largely being small businesses with limited administrative resources). It is the Company's intention that all of the Restaurants on Appetise's Platform eventually provide Appetise with signed hard copy Restaurant Agreements.

The following are the material terms and conditions of a Restaurant Agreement.

a. Fees, invoicing and payment

- i. Appetise shall be entitled to deduct from the gross revenue received by it from time to time in respect of sales via the platform (**Sales Revenue**) a commission calculated at the rate of 10% on the purchase price, inclusive of taxes and delivery charges but exclusive of the value of any refund payable (**Commission**).



10.3 Restaurant Agreement continued

a. Fees, invoicing and payment continued

- ii. Should a transaction fee be charged in relation to a Customer sale in respect of which the relevant customer pays using a credit or debit card or other third party online payment method accepted by the Platform, Appetise shall also be entitled to deduct from the Sales Revenue a fee calculated at the rate of 50 pence per Customer Sale in respect of the same (**Transaction Fee**). Appetise is required to provide a Restaurant with 30 days' written notice if it intends to start charging a Transaction Fee.
- iii. Appetise, on a twice-monthly basis, remits the Sales Revenue due to the Restaurant, less the amount of Commission and any Transaction Fees owing.

b. Term and Termination

An agreement with a Restaurant commences on the date on which it is accepted by Appetise (**Effective Date**) and continues for an initial term of 12 months and thereafter renews automatically for successive terms of equivalent duration, unless terminated by either party at any time giving the other party not less than 90 days' written notice to that effect.

Either party may terminate a Restaurant Agreement, at any time, by giving the other written notice if the other party:

- i. materially breaches any term and it is impossible to remedy that breach;
- ii. materially breaches any term and it is possible to remedy that breach, but the other fails to do so within 30 days of being requested to do so; or
- iii. suffers an insolvency event or other similar process under any applicable jurisdiction, or ceases to trade or threatens to do so.

Further, Appetise may terminate a Restaurant Agreement, or alternatively, may suspend access to and use of the Platform, by giving the Restaurant written notice if:

- i. a Restaurant is in persistent or repeated breach of any of its obligations under a Restaurant Agreement; or
- ii. Appetise receives or becomes aware of any complaint of a serious nature about the quality of any product, information and/or services provided by a Restaurant.



11. Additional Information

11.1 Litigation

As at the date of this Prospectus, neither the Company nor Appetise is involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or Appetise.

11.2 Rights attaching to Shares

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

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

a. General meetings

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

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

b. Voting rights

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

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

c. Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement, on such terms and conditions as the Directors think fit (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares and (b) a dividend election plan permitting holders of Shares to the extent that the Shares are fully paid, to have the option to elect to forego the right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

11. Additional Information

d. Winding-up

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

e. Shareholder liability

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

f. Transfer of Shares

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

g. Variation of rights

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

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

h. Alteration of Constitution

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

11.3 Options to be issued to Directors and management

a. Entitlement

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

b. Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

c. Expiry Date

Each Option will expire at 5:00 pm (WST) on the third anniversary of the date of their vesting (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

e. Notice of Exercise

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

f. Exercise Date

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

11.

Additional Information

11.3 Options to be issued to Directors and management continued

g. Timing of issue of Shares on exercise

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

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h. Shares issued on exercise

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

i. Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

j. Reconstruction of capital

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

k. Participation in new issues

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

l. Change in exercise price

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

m. Unquoted

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

n. Transferability

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

11.4 Employee Share Option Plans

The Company has adopted two v separate Incentive Option Plans to allow eligible participants to be granted Options to acquire Shares in the Company and to accommodate the differing taxation treatment of incentives issued to Australian resident Directors and employees to that of incentives issued to non-Australian resident Directors and employees. These are the Appetise Incentive Option Plan and the Appetise Concessional Incentive Option Plan. The principal terms of the Plans are summarised below.

11. Additional Information

11.4.1 Appetise Incentive Option Plan

- a. **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options (**Offer**) to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- b. **Consideration:** Each Option granted under the Plan will be granted for no more than nominal cash consideration.
- c. **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- d. **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Plan will be determined by the Board prior to the grant of the Options.
- e. **Exercise Restrictions:** The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- f. **Lapsing of Options:** An unexercised Option will lapse:
 - i. on its Expiry Date;
 - ii. if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or
 - iii. subject to certain good leaver exceptions or a determination by the Board, where the Eligible Participant ceases to be an Eligible Participant.
- g. **Disposal of Options:** Options will not be transferable except to the extent the Plan or any offer provides otherwise.
- h. **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an offer provides otherwise.
- i. **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- j. **Participation generally:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- k. **Rights Issues and Bonus Issues:** If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the option exercise price shall be reduced according to the formula specified in ASX Listing Rule 6.22.2. In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- l. **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- m. **Limitations on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

11.

Additional Information

11.4 Employee Share Option Plans

continued

11.4.2 Appetise Concessional Incentive Option Plan

The Appetise Concessional Incentive Option Plan contains standard terms to those set out in the Appetise Incentive Option Plan along with the following additional terms:

- a. **Leaver Provisions:** where an Eligible Participant ceases to be employed or contracted by the Company or an associated body corporate (**Leaver**), the Board may, in its absolute discretion:
 - i. serve a notice on the Leaver advising that some or all the Leaver's unvested Options have lapsed;
 - ii. serve a notice on the Leaver requiring the Leaver to sell some or all of the Leaver's vested Options for fair market value to any person nominated by the Board; or
 - iii. allow the Leaver to retain some or all the Leaver's Options.
- b. **Cashless Exercise:** The Plan also allows Eligible Participants to exercise vested Options by way of a 'cashless exercise'. Where an Eligible Participant makes such an election, rather than the participant being required to pay the exercise price of each Option to be exercised, the Company will issue the Eligible Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the exercise price of the Option.

Where the Options are exercised by a 'cashless exercise', the Company will only issue such number of Shares as is equivalent to the number of Options being exercised multiplied by the excess of the average Share price over the exercise price of the Options divided by the average Share price and then rounded down to a whole number of Shares.

 - c. **Loan:** An Eligible Participant who is to be granted Options may request the Company to grant a loan up to the total amount payable in respect of the exercise price of the Options granted to the Eligible Participant (**Loan**), on the following terms:
 - i. the Loan will be interest free;
 - ii. the Loan will be deemed to have been made at the time the Company issues the Shares on exercise of the Options to the Eligible Participant;
 - iii. the Loan shall be applied by the Company directly toward payment of the exercise price of the Options on exercise of such Options by the Eligible Participant;
 - iv. the Company will apply any cash dividends in respect of Shares issued on exercise of the Options to repayment of any outstanding Loan amount;
 - v. the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer of Options;
 - vi. an Eligible Participant must repay the Loan in full by the Loan repayment date but may elect to repay the Loan amount in respect of any or all of the exercised Options at any time prior to the Loan repayment date;
 - vii. the Company shall have a lien over the Shares issued on exercise of the Options and in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in the event the Eligible Participant does not repay the Loan by the repayment date;
 - viii. the Loan is repayable in full where the Eligible Participant suffers an insolvency event or breaches any condition of the Loan or the Plan;
 - ix. an Eligible Participant must not transfer, assign, encumber or otherwise deal with the Shares issued on exercise of the Options until the Loan has been fully repaid;
 - x. a Loan will be non-recourse except against the Shares issued on exercise of Options issued under the Plan and which are held by the Eligible Participant to which the Loan relates; and
 - xi. the Board may, in its absolute discretion, agree to forgive a Loan made to an Eligible Participant.

11. Additional Information

11.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- d. as an inducement to become, or to qualify as, a Director; or
- e. for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

11.6 Interests of Experts and Advisers

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

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

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

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

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

- d. the formation or promotion of the Company; or
- e. the Offer.

Taylor Wessing LLP has acted as solicitors to the Company in the UK. The Company estimates it will pay Taylor Wessing LLP a total of \$34,000 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Taylor Wessing LLP has received fees totalling \$66,000 from the Company.

HLB Mann Judd Corporate (NSW) Pty Ltd (HLB Mann Judd) has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of \$32,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$136,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

Beer & Co Pty Ltd has acted as Lead Manager in relation to the Offer. The Company estimates it will pay Beer & Co Pty Ltd the fees set out in Section 10.1 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Beer & Co Pty Ltd has not received fees from the Company for any other services.



11.7 Consents

Each of the parties referred to in this Section:

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

Taylor Wessing LLP has given its written consent to being named as solicitors in the United Kingdom to the Company in the UK. Taylor Wessing LLP has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd has given its written consent to being named as Investigating Accountant and Auditor of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

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

Beer & Co Pty Ltd has given its written consent to being named as Lead Manager to the Offer. Beer & Co Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Beer & Co Pty Ltd has not authorised, permitted or caused the issue or lodgement, submission, despatch, or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, and part of this Prospectus other than references to its name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Crowe Clark Whitehill LLP has given its written consent to being named in this Prospectus as the auditor of Appetise and to the inclusion of the audited financial statements for Appetise for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2017 (which financial statements have been incorporated by reference into this Prospectus as described in Section 3.13) and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

11. Additional Information

11.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$750,000 for minimum subscription or \$930,000 for full oversubscriptions and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Full Oversubscriptions (\$)
ASIC fees	2,400	2,400
ASX fees	73,800	75,800
Lead Manager Selling Fee / Broker Commissions*	336,000	476,000
Lead Manager Fee	96,000	136,000
Legal Fees	170,000	170,000
Investigating Accountant's Fees	32,500	32,500
Miscellaneous	39,300	37,300
Total	750,000	930,000

* Under the Lead Manager Mandate, the Company has agreed to pay the Lead Manager a selling fee equal to 7% of the total amount raised directly by the Lead Manager under the Offer and a management fee equal to 2% of the total amount raised under the Offer (refer to Sections 5.9 and 11.2 of this Prospectus for further information). Broker commissions will be paid out of that selling fee. The amount calculated in respect of the Lead Manager selling fee is based on 100% of applications being made via the Lead Manager. For those applications made directly to and accepted by the Company, no Lead Manager selling fee will be payable and the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

11.9 Continuous disclosure obligations

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

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11. Additional Information

11.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.appetise.com.

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

11.11 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

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

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

11.13 Privacy Statement

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

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

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

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



12.

Directors' Authorisation

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

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

A handwritten signature in black ink that reads "Simon Smith". The signature is written in a cursive, flowing style.

Simon Smith
Non-Executive Chairman

For and on behalf of Appetise (Holdings) Limited

13. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

\$	means an Australian dollar.
£	means British pound sterling.
Appetise	means Appetise Limited, an entity incorporated in England and Wales, with the registration number: 06429611 and having a place of business at 20-22 Bedford Row, London WC1R 4JS.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Offer.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
Board	means the board of Directors as constituted from time to time.
Closing Date	means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Company	means Appetise (Holdings) Limited (ACN 619 564 699).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company at the date of this Prospectus.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.
Holding Company	Holding Company means Long Hill Capital Ltd, an entity incorporated in England and Wales, with the registration number: 10095869 and having a registered office at Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB.
Lead Manager	means Beer & Co Pty Ltd (ACN 158 837 186) which wholly owns Melbourne Venture Securities Pty Ltd (ACN 102 538 394) which holds Australian Financial Services Licence Number 224313.

13.

Glossary

Lead Manager Mandate	means the mandate between the Company and the Lead Manager summarised in Section 10.1.
Listing Approval	means ASX granting conditional approval for the Company to be admitted to the Official List and for Official Quotation of the Shares.
Long Hill	Long Hill Capital III, LLC, a limited liability company registered in Delaware, USA.
Offer	means the offer of Shares pursuant to this Prospectus as set out in Section 5 of this Prospectus.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
Prospectus	means this prospectus.
Section	means a section of this Prospectus.
Securities	means Shares and Options.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
UK	means the United Kingdom.



APPETISE (HOLDINGS) LIMITED

ABN 59 619 564 699

Broker Code

Adviser Code

Offer Application Form

This is an Application Form for Shares in Appetise (Holdings) Limited under the Offer on the terms set out in the Replacement Prospectus dated 21 September 2017 (Prospectus). You may apply for a minimum of 10,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by 5:00pm (AEDT) on 27 October 2017.

To make payment of your application monies by BPAY: Please apply online by following the instructions at www.appetise.com. Please note that BPAY is only available to Australian investors or overseas investors with an account held with an Australian Financial Institution.

To make payment of your application monies by Electronic Funds Transfer (EFT):

1) Online application: Please apply online by following the instructions at www.appetise.com. You will be required to include your unique payment reference number generated through the online system as your EFT reference number.

2) Paper application: Please email your completed Application Form to capitalmarkets@linkmarketservices.com.au. The registry will then contact you with your unique payment reference number and will outline the procedure for making payment by EFT.

All BPAY and EFT applications and payments and the associated completed Application Form must be received by the registry by 5.00pm (AEDT) on 27 October 2017. Applicants should be aware of their financial institution's cut-off time. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A , , , , , at **A\$0.20** **B** A\$, , , , , .

(minimum 10,000, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1

Surname/Company Name

C

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

F

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G ()

Cheques or bank drafts should be made payable to "Appetise (Holdings) Limited Offer" in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number

BSB

Account Number

H -

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 27 October 2017 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

ATZ IPO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Appetise (Holdings) Limited ("Appetise") Shares. Further details about the shares are contained in the Replacement Prospectus dated 21 September 2017 issued by Appetise (Holdings) Limited (Prospectus). The Prospectus will expire 13 months after the date of this Prospectus. While the Prospectus is current, Appetise (Holdings) Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Appetise (Holdings) Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Appetise (Holdings) Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on

CHESS for this HIN is different to the details given on this form, your Shares will be issued to Appetise (Holdings) Limited's issuer sponsored subregister.

- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Payment Instructions

To make payment of your application monies by BPAY: Please apply online by following the instructions at www.appetise.com. Please note that BPAY is only available to Australian investors or overseas investors with an account held with an Australian Financial Institution

To make payment of your application monies by Electronic Funds Transfer (EFT):

1) Online application: Please apply online by following the instructions at www.appetise.com. You will be required to include your unique payment reference number generated through the online system as your EFT reference number.

2) Paper application: Please email your completed Application Form to capitalmarkets@linkmarketservices.com.au. The registry will then contact you with your unique payment reference number and will outline the procedure for making payment by EFT.

All BPAY and EFT applications and payments and the associated completed Application Form must be received by the registry by 5.00pm (AEDT) on 27 October 2017. Applicants should be aware of their financial institution's cut-off time. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 27 October 2017 at:

Mailing Address

Appetise (Holdings) Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Appetise (Holdings) Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

If you require information on how to complete this Application Form please contact the Appetise (Holdings) Limited Offer Information Line on 1800 079 367 if calling within Australia or +61 1800 079 367 if calling from outside of Australia.

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



www.appetise.com