PROSPECTUS

INITIAL PUBLIC OFFERING

Issuer: PINCHme.com Inc.
ARBN 627 641 221
### Offer
The Offer contained in this Prospectus is an invitation to acquire CHESS Depositary Interests (CDIs) over shares (Shares) in PINCHme.com Inc., a Delaware corporation ARBN 627 641 221 (PINCHme or the Company). This Prospectus is issued by the Company for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (Corporations Act).

### Lodgement and listing
This Prospectus is dated 13 September 2018 (Prospectus Date) and a copy was lodged with the Australian Securities and Investments Commission (ASIC) on that date. The Company will apply to Australian Securities Exchange (ASX) within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of its CDIs on ASX. The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the CDIs, the Offer or the Company. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

### Not investment advice
The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety, together with any documents incorporated by reference, before deciding whether to invest in the Company. In particular, you should consider the assumptions underlying the Forecast Financial Information and the risk factors that could affect the performance of the Company. You should carefully consider these assumptions and risks in light of your investment objectives, financial situation and personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether or not to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be other risk factors in addition to the risks in Section 5 that should be considered in light of your personal circumstances.

Except as required by law and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment in CDIs made pursuant to this Prospectus.

The Company's business, financial condition, results of operations and prospectus may have changed since the date of this Prospectus.

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

This Prospectus contains industry data and forecasts that were obtained from industry publications, third party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, however, the Company has not independently verified the accuracy or completeness of such information. This Prospectus also contains trademarks, trade names and service marks that are the property of other organisations.

### Financial information and other amounts
Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information. The financial information for PINCHme in Section 4 includes information for the historical financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, and for the forecast financial year ending 31 December 2018. All references to FY2015, FY2016, FY2017 appearing in this Prospectus are to the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, respectively, unless otherwise indicated. The Historical Financial Information has been prepared and presented in accordance with US Generally Accepted Accounting Principles (US GAAP) and is presented in US Dollars, except where otherwise stated. The Forecast Financial Information included in this Prospectus is unaudited and is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable and unless stated otherwise, consistent with the basis of preparation and presentation of the Historical Financial Information and is expressed in US Dollars unless otherwise stated. In some cases, the Historical Financial Information and Forecast Financial Information may also be presented in Australian Dollars. Unless otherwise stated, in such cases, the Australian Dollar figures are based on the Indicative Exchange Rate (being A$1.00=US $0.72) and provided for illustrative purposes only.
Statements of past performance
This Prospectus includes information regarding past performance of PINCHme and prospective investors should be aware that past performance is not a reliable indicator of future performance.

Disclaimers
Sternship Advisers Pty Limited has acted as Lead Manager to the Offer. Sternship Advisers Pty Limited does not authorise, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, Sternship Advisers Pty Limited and its affiliates, officers, employees and agents disclaim any liability or loss in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to its name, reputation or representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus. Sternship Advisers Pty Limited is not conducting any security arranging activities associated with, in conjunction with, and qualified by reference to the risk factors as set out in Section 5, the sensitivity analysis set out in Section 4.16, the sensitivity analysis set out in Section 4.17 and other information contained in this Prospectus.

Selling restrictions
This Prospectus does not constitute a public offer or invitation to apply for CDIs in any jurisdiction other than Australia. This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would be unlawful to make such offer or invitation. No action has been taken to register or qualify the offer of the Offer, or to otherwise permit a public offering of the CDIs, in any jurisdiction outside Australia. The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia may only apply for CDIs if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are otherwise not subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address. This Prospectus may not be released or distributed into the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to "US Persons" (as defined in Rule 902(k) of Regulation S under the US Securities Act of 1933, as amended (US Securities Act)). Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to US Persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

For details of selling restrictions that apply to the Offer and the sale of CDIs in certain jurisdictions outside of Australia, please refer to Section 9.

Notice to United States Residents
The CDIs being offered pursuant to this Prospectus have not been registered under the US Securities Act or any US state securities laws and may not be offered or sold in the United States or to US Persons absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. The offer and sale of these securities will not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the CDIs or distribution of this Prospectus or other offering material in connection with the Offer in any state or other jurisdiction in which such offer, solicitation, distribution or sale would be unlawful under applicable law, including any other jurisdiction in which such offer, solicitation, distribution or sale would be unlawful under applicable law, including any other jurisdiction in which such offer, solicitation, distribution or sale would be unlawful under applicable law.

For US Restrictions
The CDIs being offered pursuant to this Prospectus are being made available to investors in reliance on the exemption from registration contained in Regulation S of the US Securities Act for offers which are made outside of the United States. As a result of relying on the Regulation S exemption, the CDIs which are issued under Regulation S and the Offer will be "restricted securities" as defined in Rule 144 of the US Securities Act. This means that investors in the Offer will not be able to sell the CDIs issued to them under the Offer into the United States to a US Person for a period of 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the US Securities Act or an exemption is available. Please refer to Section 7.13 and Section 9.9 for further information.

To enforce the above transfer restrictions, PINCHme has requested that all CDIs issued under the Offer and the CDIs which the CDIs have been converted prior to the end of the restriction period, contain a legend to the effect that transfer is prohibited except in accordance with Regulation S of the US Securities Act, or pursuant to an available exemption from registration, and that hedging transactions involving the CDIs, or any Shares into which the CDIs may be converted, may not be conducted unless in compliance with the US Securities Act. In addition, the Company has requested that all CDIs issued under the Offer bear a "FOR US" designation on the ASX. This designation effectively automatically prevents any CDIs from being sold on the ASX to US Persons. However, investors will still be able to freely transfer their CDIs on ASX to any person other than a US Person. Please refer to...
IMPORTANT NOTICES (cont)

Section 9.9 for further information on the “FOR US” restrictions which will be placed on PINCHme’s CDIs. Finally, all investors subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding their non-U.S. status in their Application for CDIs under the Offer. Please refer to Section 9.9 for further information.

Exposure Period
The Corporations Act prohibits the Company from processing Applications for CDIs in the seven day period after the Prospectus Date (Exposure Period). ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days). The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

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

Prospectus availability
During the Offer period, a paper copy of this Prospectus is available free of charge to any person in Australia by calling the PINCHme IPO Information Line on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays). This Prospectus is also available to persons who are Australian residents in electronic form at the Offer website www.PINCHmeIPOoffer.com or a subdomain or subdirectory thereof (collectively, the website). The other information contained on the website does not form part of this Prospectus. The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

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

Offer management
The Offer is being managed by Sternship Advisers Pty Limited. The Offer is being managed by Sternship Advisers Pty Limited. The Offer is not being underwritten. Sternship Advisers Pty Limited is not conducting any security arranging activities associated with the Offer.

No cooling-off rights
Cooling-off rights do not apply to an investment in CDIs issued under the Offer contained in this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Regulation of the Company
As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and applicable US Law. See Section 9.6 for a comparison of the laws governing the Company as a US company, with the laws governing Australian publicly listed companies generally.

Defined terms and abbreviations
Some words and expressions used in this Prospectus have defined meanings, which are explained in the Glossary. Unless otherwise stated or implied, a reference to a Share Registry pursuant to this Prospectus is to Sydney time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Privacy
By completing an Application Form, you are consenting to the collection, use and disclosure of your personal information as summarised below. By completing an Application Form, you are providing personal information to the Company, through its service provider, Link Market Services Limited (Share Registry), which is contracted by or on behalf of the Company to manage Applications. The Company and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a CDI Holder (if you become one), provide facilities and services that you request and administer the Company. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

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

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

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

You may request access to your personal information held by or on behalf of the Company. Subject to applicable laws, you may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to, or correction of, your personal information by writing to or telephoning the Share Registry as follows:

Email: registrars@linkmarketservices.com.au
Mail Delivery Address:
Link Market Services Limited
Locked Bag A14,
Sydney South NSW 1235

As a US company, the collection, processing and use of personal data is regulated in the US by US Federal Trade Commission’s (FTC) broad authority pursuant to the FTC Act, along with applicable state and federal protection laws.

Photographs and diagrams
Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

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

Investigating Accountant’s Report and Financial Services Guide
The provider of the Investigating Accountant’s Report is required to provide Australian retail investors with a Financial Services Guide in relation to its independent review under the Corporations Act (Financial Services Guide). The Investigating Accountant’s Report and Financial Services Guide is provided in Section 8.

Questions
If you have any questions about how to apply for CDIs, please call your Broker. Instructions on how to apply for CDIs are set out in Section 7 of this Prospectus and on the back of the Application Form. Alternatively, call the PINCHme IPO Information Line on 1800 810 827 (within Australia) and +61 1800 810 827 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays).

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, broker, lawyer or other professional adviser before deciding whether to invest in the Company.

This Prospectus is important and should be read in its entirety.
OFFER STATISTICS
AND KEY DATES

OFFER STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>CDIs</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Price</td>
<td>A$0.50 per CDI</td>
<td>Equivalent to A$177.50 per Share</td>
</tr>
<tr>
<td>Ratio of CDIs per Share</td>
<td>355</td>
<td>1</td>
</tr>
<tr>
<td>Number of securities offered to investors under the Offer</td>
<td>16 million</td>
<td>45,070</td>
</tr>
<tr>
<td>Gross cash proceeds from the Offer</td>
<td>A$8 million</td>
<td>A$8 million</td>
</tr>
<tr>
<td>Total number of securities on issue on Completion of the Offer</td>
<td>117.09 million</td>
<td>329,836</td>
</tr>
<tr>
<td>Indicative market capitalisation on Completion of the Offer</td>
<td>A$58.5 million</td>
<td>A$58.5 million</td>
</tr>
<tr>
<td>Indicative market capitalisation on Completion of the Offer on a fully diluted basis</td>
<td>A$63.2 million</td>
<td>A$63.2 million</td>
</tr>
<tr>
<td>Pro forma cash on Completion of the Offer</td>
<td>A$7.9 million</td>
<td></td>
</tr>
<tr>
<td>Enterprise Value at the Offer Price</td>
<td>A$50.6 million</td>
<td></td>
</tr>
<tr>
<td>Enterprise Value/pro forma forecast FY2018 Revenue</td>
<td>3.50x</td>
<td></td>
</tr>
<tr>
<td>Enterprise Value/annualised pro forma forecast 2H FY2018 Revenue</td>
<td>2.92x</td>
<td></td>
</tr>
</tbody>
</table>

KEY DATES

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospectus Date</td>
<td>Thursday 13 September 2018</td>
</tr>
<tr>
<td>Offer opens</td>
<td>Friday 21 September 2018</td>
</tr>
<tr>
<td>Offer closes</td>
<td>Friday 5 October 2018</td>
</tr>
<tr>
<td>Settlement of the Offer</td>
<td>Tuesday 9 October 2018</td>
</tr>
<tr>
<td>Issue of CDIs under the Offer (Completion of the Offer)</td>
<td>Wednesday 10 October 2018</td>
</tr>
<tr>
<td>Expected despatch of holding statements</td>
<td>Thursday 11 October 2018</td>
</tr>
<tr>
<td>CDIs expected to begin trading on the ASX on a normal settlement basis</td>
<td>Tuesday 16 October 2018</td>
</tr>
</tbody>
</table>

Notes:
1. The Company will also have Options on issue at Completion of the Offer. Refer to Section 9.3.3 for further detail.
2. Assumes all Shares are held in the form of CDIs.
3. The indicative market capitalisation on Completion of the Offer is determined by multiplying the total number of CDIs on issue at Completion of the Offer (assuming all of the Shares are held in the form of CDIs) by the Offer Price. The CDIs may not trade at the Offer Price after listing on the ASX (Listing). If the CDIs trade below the Offer Price after Listing, the market capitalisation may be lower.
4. Indicative market capitalisation on a fully diluted basis has been calculated as if all Options on issue had been exercised in accordance with their terms. Refer to Section 9.3.3 for further detail regarding the Options.
5. Refers to pro forma cash as at 31 December 2017, assuming Completion of the Offer had occurred as at that date. Refer to Section 4 for further details, including the pro forma adjustments.
6. Enterprise Value is calculated as the indicative market capitalisation of the Company at Completion, less the expected pro forma net cash as at 31 December 2017.
7. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and Appendix A and is subject to the key risks set out in Section 5. There is no guarantee that forecasts will be achieved. Certain Financial Information included in this Prospectus is described as pro forma for the reasons described in Section 4. Refer to Section 4 for more detail.

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

How to invest
Applications for CDIs can be made in accordance with the procedures described in this Prospectus. Instructions on how to apply for CDIs are set out in Section 7 and on the back of the Application Form.
PINCHme is well placed to take advantage of this changing FMCG market. PINCHme now has more than 4 million profiled members.¹

¹. As at 30 June 2018.

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to offer you the opportunity to become an investor in PINCHme.com Inc. (PINCHme or the Company).

PINCHme is a New York based company that operates a leading product sampling and digital promotions platform. Our platform intelligently matches large “fast moving consumer goods” (FMCG) brands with PINCHme’s own members, who are consumers that have provided PINCHme with comprehensive personal data about themselves and their spending habits. In return for the data they provide, PINCHme’s members receive free samples of products already available in-store, or access to products ahead of their store release, while our FMCG clients receive detailed insights, product reviews and feedback, and social media engagement, all of which assist in driving sales uplift.
I founded PINCHme in 2012 in response to four key issues that I observed in the FMCG market:

1. consumers want to "try before they buy"; particularly among the typically cost-conscious segment that shops at Walmart, Target and other mass market retailers;
2. FMCG brands were suffering a high degree of product wastage in their traditional product sampling efforts, as samples were inefficiently distributed in-store or in outdoor environments without appropriate consumer targeting or collection of feedback and data;
3. large FMCG brands were losing market share to competitive white label brands offered by major FMCG retailers (such as Walmart and Target) which have direct access to in-store product purchase data by consumers, and to more nimble direct-to-consumer brands that were more effectively leveraging lower cost social media and "performance-based online advertising", rather than traditional marketing tools; and
4. a shift in consumer FMCG purchasing, particularly among Millennials, from traditional supermarkets and retail stores to a powerful new breed of online retailer (such as Amazon.com), requiring large FMCG brands to rethink their marketing strategy.

PINCHme is well placed to take advantage of this changing FMCG market. PINCHme now has more than 4 million profiled members1, and in the first six months of 2018, we have on average grown our membership by more than 100,000 members per month. PINCHme captures more than 50 data points on each member when they register with our platform at www.pinchme.com (including, for example, who they are, where they shop, what they buy, hobbies, habits, interests, medical conditions and family demographics), and we continue to collect further data points as members participate in sampling campaigns and engage with our services. Approximately 1.4 million members are actively interacting with the PINCHme platform.2 We have now completed over 500 sampling programs for more than 100 leading FMCG brands, with more than 85% of our campaigns undertaken for repeat clients. In addition to revenues derived from our FMCG clients for sampling services, PINCHme is able to further ‘monetise’ its member audience and comprehensive database through performance-based online advertising3 and survey-based revenue streams.4

We are now well positioned to continue to grow our member community and create further ‘monetisation’ opportunities, through providing value-added services for FMCG clients and other companies seeking access to the highly targeted consumer groups within the PINCHme community. The Offer is an important next step for PINCHme, and will provide the Company the financial flexibility to fund that growth. PINCHme is seeking to raise A$8 million through the issuance of 16 million Chess Depositary Interests (CDIs) at an offer price of A$0.50 per CDI. Proceeds raised in the Offer will be used to drive membership growth, fund product development and operational improvements, invest in marketing strategies and pursue other growth opportunities. In addition, the Offer and ASX listing will provide the Company with access to capital markets, provide a liquid market for CDIs and assist the Company to attract and retain quality employees.

This Prospectus contains detailed information about the Offer, the industry sectors in which PINCHme operates, and the historical and forecast financial information of the Company, as well as the key risks associated with an investment in PINCHme. These key risks are set out in Section 5 and include, among others, risks associated with our limited trading history, our ability to attract new FMCG clients and to source sufficient samples, our ability to acquire new members and the level of member engagement, disruption or failure of our technology systems and breaches of privacy and data protection requirements. It is important that you read this Prospectus carefully, and in its entirety, before deciding whether to invest in the Company.

On behalf of the Board of Directors, I look forward to welcoming you as a CDI Holder.

Yours sincerely

Jeremy Reid
Chairman

---

1. As at 30 June 2018.
2. As at 30 June 2018. “Active members” are those members who have interacted with the PINCHme platform (whether via email or web browser) at least once every 90 days.
3. Performance based online advertising is a form of advertising in which promotional messages are delivered to consumers over the internet and where the online publisher of those advertisements (such as PINCHme) is remunerated by the advertiser based on defined outcomes achieved from the advertisement (such as click-throughs, leads/registrations generated and even product sales).
4. Refers to revenue generated from PINCHme members completing third party online surveys.
### 1.1 Introduction

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is the PINCHme Group?</td>
<td>PINCHme is a New York based company that operates a leading product sampling and digital promotions platform. PINCHme’s platform intelligently matches large FMCG brands with PINCHme’s own members, who are consumers that have provided PINCHme with comprehensive personal data about themselves and their spending habits. In return for the data they provide, PINCHme’s members receive free samples of products already available in-store or access to products ahead of their store release, while the FMCG brands receive detailed insights, product reviews and feedback and social media engangement, all of which assist in driving sales uplift. In addition to revenues derived from the FMCG brands for providing these services, PINCHme is able to further ‘monetise’ its member audience through performance-based online advertising (which involves PINCHme promoting third party advertisements on its website or to its members) and survey based revenue streams (which involve PINCHme members completing third party online surveys).</td>
<td>Section 3.1</td>
</tr>
<tr>
<td>Why is the Offer being conducted?</td>
<td>The purpose of the Offer is to provide the Company with the financial flexibility to fund working capital to grow the PINCHme business, including by driving membership growth, funding product development and operational improvements, investing in marketing strategies and pursuing other growth opportunities. The Offer will also provide the Company access to capital markets, provide a liquid market for the CDIs and assist the Company to attract and retain quality employees.</td>
<td>Section 7.3</td>
</tr>
</tbody>
</table>

### 1.2 Key features of the PINCHme Group

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the PINCHme platform?</td>
<td>PINCHme now has more than 4 million profiled members¹, and in the first six months of 2018, it has grown its membership by more than 100,000 members per month on average. PINCHme captures more than 50 data points on each member when they register with its platform at <a href="http://www.pinchme.com">www.pinchme.com</a> (including, for example, who they are, where they shop, what they buy, hobbies, habits, interests, medical conditions and family demographics), and it continues to collect further data points as members participate in sampling campaigns and engage with its services. Approximately 1.4 million members are actively engaged with the PINCHme platform, through opening the Company’s emails, claiming samples, providing product feedback, participating in consumer research studies, taking up online advertising offers and participating in surveys².</td>
<td>Section 3</td>
</tr>
<tr>
<td>How does PINCHme generate revenue?</td>
<td>PINCHme generates revenues from its two key businesses, being the sampling business, and the “audience monetisation” business. The sampling business involves FMCG clients paying PINCHme to: • provide product samples to a targeted subset of PINCHme members, based on a set of consumer characteristics defined by the FMCG client (such as age, gender, geography, number of children etc), and • conduct consumer research studies, which involve the distribution of products or samples to a much smaller, selective group of members who perform extensive in-home testing.</td>
<td>Section 3.3</td>
</tr>
</tbody>
</table>

¹ As at 30 June 2018.
² “Active members” are those members who have interacted with the PINCHme platform (whether via email or web browser) at least once every 90 days.
### Section 1. Investment Overview

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
</table>
| **How does PINCHme generate revenue?** continued | PINCHme’s audience monetisation business involves third parties paying PINCHme to:  
• promote online advertising offers (including digital samples) to members on its website and via email offers; and  
• provide third party hosted surveys to its members, branded as “QWIZme” on PINCHme’s website. | Section 3.4 |
| **Who are PINCHme’s customers?** | As at 30 June 2018, PINCHme had worked with over 100 major FMCG brands of which 45 have worked with the Company between 1 January 2018 and 30 June 2018. PINCHme’s existing clients include some of the largest household brands in the US FMCG industry including Nestlé, Johnson & Johnson and Procter & Gamble. PINCHme undertakes a variety of sampling and online advertising campaigns on behalf of its clients. As set out in Figure 3.13, some clients work with the Company for sampling only, others work with it solely for performance-based online advertising promotions, while others work with the Company on both sampling and performance-based online advertising campaigns.  
In its audience monetisation business, PINCHme’s clients expand beyond its direct FMCG client relationships to a range of third parties such as Home Chef and also the agencies representing brands such as Atkins. | Section 2.1 |
| **What industry/sectors does PINCHme operate in?** | PINCHme operates within the broader US marketing industry and, within this, its:  
• sampling business operates in the FMCG consumer promotion and market research sectors; and  
• audience monetisation business operates in the performance-based online advertising sector and online market research sector. | Section 3.1 |
| **Where are the operations of the PINCHme Group entities located?** | PINCHme operates solely in the United States. PINCHme currently has a team of 40 full time employees who are based in the Company’s New York office. | Section 3.7 |
| **What is PINCHme’s growth strategy?** | PINCHme has a range of strategic initiatives to support its future growth that include:  
• **New member acquisition.** PINCHme intends to use a significant portion of the Offer proceeds to acquire new members. Strategies that will be adopted include paid acquisition using PINCHme’s performance based advertiser networks and third party website partnerships, as well as increased use of paid blogger relationships.  
• **Further refining the technology platform.** PINCHme is investing in actively developing and enhancing machine learning models to predict member behaviour; leveraging PINCHme’s member specific rating called a “PINCHme score” to improve member targeting, optimising the website and utilising data-driven testing; and engaging with experts to design new programs that will promote member engagement through “gamification” techniques.  
• **Further monetisation strategies.** PINCHme intends to target a number of industries outside of the existing category of FMCG brands, whose advertising and data needs could be serviced by PINCHme and its members, such as the healthcare sector.  
• **Acquisitions.** PINCHme may in the future consider acquisitions that have the potential to further the growth of its business. PINCHme intends to only pursue acquisitions that are complementary to its existing business and strategies. |
A selected summary of PINCHme’s pro forma historical and pro forma statutory forecast financial information is set out below. This is intended as a summary only and should be read in conjunction with the more detailed discussions of the financial information disclosed in Section 4, as well as the risk factors set out in Section 5.³

<table>
<thead>
<tr>
<th></th>
<th>Historical period</th>
<th>Forecast period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$’000</td>
<td>FY2015 Pro forma</td>
</tr>
<tr>
<td>Revenue</td>
<td>5,948</td>
<td>9,075</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,323</td>
<td>4,881</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>(3,048)</td>
<td>(1,382)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(3,248)</td>
<td>(1,953)</td>
</tr>
<tr>
<td>Net loss after finance (costs)/ income and income tax</td>
<td>(3,248)</td>
<td>(1,953)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Audited at 31 December 2017 US$’000</th>
<th>Pro forma at 31 December 2017 US$’000</th>
<th>Pro forma at 31 December 2017 AU$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>1,661</td>
<td>6,975</td>
<td>9,688</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>344</td>
<td>344</td>
<td>477</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,005</td>
<td>7,319</td>
<td>10,165</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>25,178</td>
<td>1,751</td>
<td>2,434</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>25,178</td>
<td>1,751</td>
<td>2,434</td>
</tr>
<tr>
<td>Net Assets</td>
<td>(23,173)</td>
<td>5,568</td>
<td>7,731</td>
</tr>
<tr>
<td>Equity</td>
<td>(23,173)</td>
<td>5,568</td>
<td>7,731</td>
</tr>
<tr>
<td>Stockholders Equity and Liabilities</td>
<td>2,005</td>
<td>7,319</td>
<td>10,165</td>
</tr>
</tbody>
</table>

³ There can be no guarantee that PINCHme will achieve its stated objectives or that any forward looking statement or forecasts will eventuate.
### What will the capital structure of PINCHme be on Completion of the Offer?

Following Completion of the Offer and upon Listing on the ASX, the Company will have the following securities on issue:

<table>
<thead>
<tr>
<th></th>
<th>Immediately prior to Offer</th>
<th>Immediately following Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Shares</strong></td>
<td><strong>Number of Shares</strong></td>
<td><strong>CDI equivalent</strong></td>
</tr>
<tr>
<td>Shares held by Existing Holders¹</td>
<td>89,273</td>
<td>89,273</td>
</tr>
<tr>
<td>Number of Shares to be issued on conversion of existing:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Convertible Notes and accrued interest</td>
<td>176,019</td>
<td>176,019</td>
</tr>
<tr>
<td>• Shareholder Loans</td>
<td>19,474</td>
<td>19,474</td>
</tr>
<tr>
<td>Shares to be issued under the Offer</td>
<td>-</td>
<td>45,070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>284,766</strong></td>
<td><strong>329,836</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Percentage (%)</strong></th>
<th><strong>Percentage (Fully diluted) (%)²</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>27.1%</td>
<td>25.1%</td>
</tr>
<tr>
<td>53.4%</td>
<td>49.4%</td>
</tr>
<tr>
<td>5.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>13.7%</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

**Total** 117,091,780 100.0% 92.6%

Options - 26,387 26,387 92.6%

**Total securities on issue:** 117,091,780

**Percentage holding on a fully diluted basis:** 92.6%

**Options:** 26,387

**Note:**
1. Does not include Shares which the Existing Holders may subscribe for under the Offer, nor does it include Shares which will be issued to certain Existing Holders on conversion of the Shareholder Loans and Convertible Notes, which is separately dealt with in this table.
2. Percentage holding on a fully diluted basis has been calculated as if all of the Options on issue had been exercised in accordance with their terms. Options have been issued at varying exercise prices. Further detail regarding the Options is set out in Section 9.3.3.

### What is the Company’s dividend policy?

The policy of the Company is to invest all cashflow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near-term following the Company’s listing on ASX.

### How does PINCHme expect to fund its operations?

The Company is forecast to make a net loss in FY2018. The Company will use its existing cash balances, the working capital to be raised under the Offer and the revenue it generates from its existing business, to fund its ongoing operations.
## 1.3 PINCHme’s key strengths

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusted and established partnerships with leading FMCG brands</td>
<td>Forty five leading FMCG brands actively worked with PINCHme between 1 January 2018 and 30 June 2018 and over 100 brands have worked with the Company since its establishment. Since inception, more than 85% of campaigns have been undertaken for repeat clients, with more than 500 product campaigns undertaken in total to date.</td>
<td>Section 3.5.1</td>
</tr>
<tr>
<td>Proprietary and scalable technology platform</td>
<td>PINCHme’s platform has been fully developed in-house and the Company believes it provides advantages over competitors in its scalability, security, ease of use and focus on user experience. Thousands of new members have been joining the community each month since its establishment, welcomed through a dynamic onboarding system where users provide information on more than 50 data points as well as being shown targeted offers. The platform also has dynamic campaign targeting capabilities, which uses the data collected to display relevant samples for members to claim.</td>
<td>Section 3.5.2</td>
</tr>
<tr>
<td>Large and data-rich member community</td>
<td>PINCHme believes it operates one of the larger profiled communities in the US FMCG space, with more than 4 million members. The data-rich platform stores over 50 different data points on each consumer, which it uses to match consumers with targeted product sample campaigns, consumer research studies and associated sales-related marketing, as well as performance-based online advertising offers. PINCHme continues to collect further data points based on usage and participation, with approximately 1.4 million members actively engaged with the PINCHme platform. The volume and quality of data stored enables the Company to harness insights from its member base and build out machine learning capability to further enhance the business model.</td>
<td>Section 3.5.3</td>
</tr>
<tr>
<td>The “network effect”</td>
<td>The size of PINCHme’s member community and the quality and diversity of its social influencer and blogger network makes PINCHme an attractive partner for FMCG brands. As the Company increases the number of members within its community, it expects to attract further high-quality FMCG brand clients. A larger member audience also unlocks the potential for higher volume sampling campaigns from both existing and new FMCG brand clients, which in turn will provide product samples and content with which to attract and engage new members. This phenomenon is known as the “network effect”.</td>
<td>Section 3.5.4</td>
</tr>
<tr>
<td>Sizable and growing social media following</td>
<td>PINCHme benefits from a highly engaged social media following of more than two million followers which continues to grow. The combined social media followers across Facebook, Instagram, YouTube and Twitter facilitate a number of key benefits, including driving member acquisition, building product awareness for campaigns and facilitating member participation in campaigns.</td>
<td>Section 3.5.5</td>
</tr>
<tr>
<td>High quality experienced management team</td>
<td>PINCHme has an entrepreneurial and experienced management team with a material vested interest in the Company. It was established and grown by Jeremy Reid, who is passionate about the business, its strategic direction and long-term future growth. Jeremy has assembled, and is supported by an experienced and dedicated management team.</td>
<td>Section 3.1</td>
</tr>
</tbody>
</table>

4. As at 30 June 2018

5. As at 30 June 2018. “Active members” are those members who have interacted with the PINCHme platform (whether via email or web browser) at least once every 90 days.

6. As at 30 June 2018
1.4 Key risks for PINCHme

There are a number of potential risks associated with the Company and the industries in which it operates in, which may impact PINCHme’s assets and liabilities, financial position and performance, profits and losses and prospects, and the value of the CDIs. Set out below are specific key risks to which the Company is exposed. Further detail on these risks, along with general risks associated with an investment in the Company are outlined in Section 5.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited trading history</td>
<td>The Company is essentially a start-up company with limited trading history. Since incorporating in 2012, PINCHme’s activities have principally involved raising money to develop its software, products and services. Like many start-up companies, the Company has incurred losses since its inception. The cumulative losses up to 31 December 2017 are approximately A$31.3 million. Given the Company’s limited trading history, it is difficult to make an evaluation of Company’s business or its prospects. A large portion of the Company’s revenue growth will be derived from audience monetisation strategies which have only been generating revenue for a short period and are untested. As such, there is a risk that these revenue streams may not provide the growth anticipated.</td>
<td>Section 5.2.1</td>
</tr>
<tr>
<td>Attracting members, FMCG clients and other businesses</td>
<td>The Company’s operations and revenues will be affected by its ability to attract and retain members to the PINCHme platform, and FMCG clients and other businesses to use PINCHme’s services. If the Company is not able to attract or retain members to the PINCHme platform, this is likely to have a materially adverse effect on the Company’s business, financial position, results of operations, cash flows and prospects.</td>
<td>Section 5.2.2</td>
</tr>
<tr>
<td>Insufficient products to meet demand</td>
<td>The Company’s sampling business is heavily reliant on the quality and attractiveness of the samples being provided to members, as well as on sourcing sufficient samples to allow for cost-effective distribution. If the Company is no longer able to source attractive products from clients or is not able to source sufficient products, including to meet members’ demand, the Company’s business and prospects will be adversely impacted.</td>
<td>Section 5.2.3</td>
</tr>
<tr>
<td>Timing of FMCG client sampling campaigns and impact on financial results</td>
<td>The timing of sampling campaigns can affect the Company’s financial results in any given financial reporting period (such as a full year or half-year). Sampling revenues are largely recognised on the despatch of sampling products to members. The timing of the despatch of product is determined by the requirements of the FMCG client, which is outside the control of PINCHme and may be difficult to predict. Whether a particular campaign is completed by the end of one financial year (or a quarter or half year end) or is completed early in the following financial period could materially affect financial performance in any given reporting period and relatively between financial years.</td>
<td>Section 5.2.4</td>
</tr>
<tr>
<td>Ability and cost to acquire new members</td>
<td>The proceeds of the Offer will be partly used to acquire new members. The number of acquired members and the price the Company pays to acquire those members are key components of the Company’s future financial performance. If the Company cannot acquire as many new members as it anticipates, or the cost to acquire new members is higher than the Company expects, then it may not have sufficient members to meet the demand from its FMCG or performance-based online advertising clients, which will result in the Company’s revenue being adversely impacted. This could materially affect the financial performance of PINCHme, including when compared to the FY2018 -forecast.</td>
<td>Section 5.2.5</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>For more information</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Engagement of acquired members</td>
<td>The proceeds of the Offer will be partly used for member acquisition purposes. The Company expects that the engagement of the Company’s newly acquired members will be in line with historical engagement levels of its current members. The engagement level of the acquired members is a key component of the Company’s future financial performance, including its FY2018 forecast. If the acquired member database is not as active as the existing member database, both the sampling business and the various audience monetisation revenue streams could be adversely impacted. This would materially affect the financial performance of PINCHme, including when compared to the FY2018 forecast.</td>
<td>Section 5.2.6</td>
</tr>
<tr>
<td>Disruption or failure of technology systems</td>
<td>The Company relies upon the availability, performance and reliability of its web applications, data centres and other technology platforms. There is a risk that the Company may be adversely affected by withdrawal, disruption, failure, service outages or data corruption that could occur as a result of breach of contract, computer viruses, “bugs” or “worms”, malware, internal or external misuse by websites, cyber attacks or other disruptions. These events may lead to prolonged disruption to the Company’s IT platform, or operational or business delays and damage to the Company’s reputation and could adversely impact the Company’s financial performance.</td>
<td>Section 5.2.7</td>
</tr>
<tr>
<td>Security breach and data privacy</td>
<td>The services the Company offers involve the storage and transmission of clients’ and members’ confidential and proprietary information. The Company’s business could be materially impacted by security breaches of clients’ and or members’ data and information, either by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data. Any of these events may cause significant disruption to the business and operations of the Company, result in reputation damage or attract regulatory scrutiny and fines, any of which could adversely impact the financial performance and prospects of the Company.</td>
<td>Section 5.2.8</td>
</tr>
<tr>
<td>Compliance with laws and regulations</td>
<td>PINCHme must comply with a range of legal requirements, which are subject to continuing development and often to increasing government intervention, including with regard to privacy, data protection, and unsolicited communications. Failure by PINCHme to comply with laws and regulations may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage, which could have an adverse effect on the Company’s business. PINCHme may become subject to new or amended laws, regulations or industry compliance standards that could restrict PINCHme’s ability to provide its services or make compliance more difficult or expensive, which may have an adverse impact on the Company’s business or prospects.</td>
<td>Section 5.2.9</td>
</tr>
<tr>
<td>Reliance on key personnel</td>
<td>The emergence and development of the Company’s business has been largely due to the talent, effort, experience and leadership of its Management team, including its CEO and President. The Company is substantially dependent on the continued service of its CEO and President, as well as other existing sales, client success, marketing, product and information technology personnel because of the complexity of its services and technologies. There is no assurance that the Company will be able to retain the services of such persons, particularly as their employment can be terminated by the individuals at any time (with the exception of the CEO).</td>
<td>Section 5.2.10</td>
</tr>
</tbody>
</table>
### Product liability

The Company attempts to address any liability it might assume due to the distribution of consumer products via contractual terms with its clients. It is not always able to do so and distributing consumer products carries an inherent risk of product liability, such as due to adverse reactions to cosmetics, food or cleaning products. The Company may have to limit the distribution of products if it cannot mitigate its risk adequately by contractual means or through the purchase of product liability insurance. The Company may not be able to obtain further product liability insurance, or may not be able to renew or otherwise obtain insurance on commercially viable terms. Any product liability claims may cause reputational harm by leading members to doubt product safety, quality and reliability of supply, adversely impacting the Company’s business operations and financial performance.

### Reliance on third parties

The Company relies on third parties for various parts of its business, including data hosting, third party logistics providers and advertising agency partners. A failure by any of these suppliers to provide those services or software, may adversely affect PINCHme’s ability to provide services to its clients and members on a timely basis or at all. PINCHme’s ability to pass on any losses suffered as a result of a failure by a third party may be significantly limited. Also, the licences for third party products may cease to be available on commercially reasonable terms, which could materially impact on PINCHme’s financial performance.

### Other risks

A number of other key risks relating specifically to an investment in the Company are outlined in Section 5, including risks related to the protection of the Company’s intellectual property rights, the ability of FMCG clients to terminate their agreements with PINCHme for convenience, competition, management of future growth and future funding requirements, and the significant stake in PINCHme that is held by Directors. There are also a number of risks relating generally to an investment in the CDIs which are included in Section 5.

### 1.5 Directors and Management

#### Who are the Directors of PINCHme?

- Jeremy Reid (Founder, Chief Executive Officer and Chair)
- Adam Caplan (President and Executive Director)
- Giles Craig (Independent Non-Executive Director)
- Wal Pisciotta (Proposed Non-Executive Director)  
- Michael Seder (Non-Executive Director)

#### Who are the key management of PINCHme?

- Jeremy Reid (Chief Executive Officer)
- Adam Caplan (President)
- CJ Bilangino (Chief Financial Officer)
- Mark Oreta (Chief Technology Officer)
- Daniel Bornstein (Chief Revenue Officer)

---

7. Wal Pisciotta will be joining the Board on Completion of the Offer.
### Who are the Existing Holders and what will their interests in PINCHme be at Completion of the Offer?

<table>
<thead>
<tr>
<th>Holder</th>
<th>Immediately prior to Offer</th>
<th>Immediately following Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>% of Shares</td>
<td>Shares Equivalent in CDIs</td>
</tr>
<tr>
<td>Jeremy Reid</td>
<td>32,127</td>
<td>11.3%</td>
</tr>
<tr>
<td>Adam Caplan</td>
<td>10,446</td>
<td>3.7%</td>
</tr>
<tr>
<td>Wal Pisciotta</td>
<td>38,370</td>
<td>13.5%</td>
</tr>
<tr>
<td>Michael Seder</td>
<td>3,029</td>
<td>1.1%</td>
</tr>
<tr>
<td>LJCJ Holdings Pty Ltd</td>
<td>41,169</td>
<td>14.5%</td>
</tr>
<tr>
<td>Yaselleraph Finance Pty Ltd</td>
<td>7,392</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other Existing Holders</td>
<td>152,233</td>
<td>53.5%</td>
</tr>
<tr>
<td><strong>Total Existing Holders</strong></td>
<td><strong>284,766</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td>New Shareholders</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>284,766</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

1. Assumes that the conversion of the Shareholder Loans and Convertible Notes has occurred.
2. Jeremy Reid’s holdings are held through Bedford International Pty Ltd and Indigo International Pty Ltd.
3. Wal Pisciotta’s holdings are held through Rainbow End Investments Pty Ltd, Rainbow TJP Superannuation Fund, Rainbow LCP Superannuation Fund and Rainbow LOZ Superannuation Fund.
4. Michael Seder’s holdings are held through Kimik Nominees Pty Ltd.
5. Yaselleraph Finance Pty Ltd is the trustee for the Yaselleraph Finance Trust.
6. Does not include Shares which Existing Holders may subscribe for under the Offer.
7. Percentage holding on a fully diluted basis has been calculated as if all of the Options on issue had been exercised in accordance with their terms. Options have been issued with varying exercise prices. Further detail regarding the Options is set out in Section 9.3.3.

### What are the Director holdings?

Executive Directors will receive remuneration and other benefits pursuant to their employment agreements and will be eligible to participate in the Company’s Equity Incentive Plan, as described in Section 6.4.

Non-Executive Directors are entitled to receive remuneration and fees on commercial terms as set out in Section 6.3.2.2 and the Company has also entered into Deeds of Indemnification with those Directors as described in Section 6.3.2.3.

Each of the Directors and the Proposed Director have also been granted Options overs the Company’s Shares on Completion of the Offer, as described in Section 9.3.3.

Advisers and other service providers are entitled to fees for services and have other interests as described in Section 9.13.
## 1.6 Proposed use of funds and key terms and conditions of the Offer

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who is the issuer of this Prospectus?</strong></td>
<td>PINCHme.com Inc., a company incorporated in Delaware, United States, with its headquarters in New York City. PINCHme was registered as a foreign company with ASIC on 20 July 2018.</td>
<td>Section 9.1</td>
</tr>
<tr>
<td><strong>What is the Offer?</strong></td>
<td>This Prospectus provides investors with the opportunity to participate in the initial public offering to acquire CHESS Depositary Interests (CDIs) over Shares in the capital of PINCHme, to be quoted on the ASX. Under the Offer, the Company is offering a minimum subscription of 16 million CDIs (equivalent to 45,070 Shares) at $0.50 per CDI to raise A$8 million (Minimum Subscription). The Company will not seek to raise more than the Minimum Subscription.</td>
<td>Section 7.1</td>
</tr>
</tbody>
</table>
What is the proposed use of funds raised under the Offer?

The funds received under the Offer will be used as follows:

<table>
<thead>
<tr>
<th>Sources of funds ($’000s)</th>
<th>US$</th>
<th>A$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated cash reserves as at date of prospectus</td>
<td>142</td>
<td>197</td>
</tr>
<tr>
<td>Proceed from the Offer</td>
<td>5,760</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>Total sources</strong></td>
<td>5,902</td>
<td>8,197</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Use of funds ($’000s)</th>
<th>US$</th>
<th>A$</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and member acquisition</td>
<td>1,800</td>
<td>2,500</td>
<td>30.5%</td>
</tr>
<tr>
<td>Research and development</td>
<td>375</td>
<td>521</td>
<td>6.4%</td>
</tr>
<tr>
<td>Costs of the Offer to be paid</td>
<td>1,259</td>
<td>1,749</td>
<td>21.3%</td>
</tr>
<tr>
<td>Infrastructure and security</td>
<td>190</td>
<td>264</td>
<td>3.2%</td>
</tr>
<tr>
<td>Repayment of debt and obligations</td>
<td>220</td>
<td>306</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>3,844</td>
<td>5,340</td>
<td>65.1%</td>
</tr>
<tr>
<td>Working capital</td>
<td>2,058</td>
<td>2,857</td>
<td>34.9%</td>
</tr>
<tr>
<td><strong>Total uses</strong></td>
<td>5,902</td>
<td>8,197</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Will PINCHme be adequately funded after Completion of the Offer?

The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

How is the Offer structured and who is eligible to participate in the Offer?

The Offer comprises:
- the Broker Firm Offer – which is open to Australian resident retail clients of participating Brokers, who have a registered address in Australia and who receive an invitation from a Broker to acquire CDIs under this Prospectus and are not in the United States and are not US Persons;
- the Priority Offer – which is open to selected investors nominated by PINCHme Group in eligible jurisdictions, who have received a Priority Offer invitation to acquire CDIs under this Prospectus; and
- the General Offer – which is open to retail investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons.

Is the Offer underwritten?

No, the Offer is not underwritten.
### What are CDIs?

The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. PINCHme is incorporated in the United States, which does not recognise the CHESS system of holding securities. Accordingly, to enable companies such as PINCHme to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs are units of beneficial ownership in Shares and are traded in a manner similar to shares of Australian companies listed on the ASX. Each Share will be equivalent to 355 CDIs.

Due to certain US securities laws, you will not be able to sell CDIs issued to you under the Offer into the United States or to US Persons for a period of at least 12 months from the Allotment Date, unless the resale of the CDI is registered under the US Securities Act or an exemption is available.

### What rights and liabilities attach to the CDIs being offered?

The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Section 9.4.

### Will the CDIs be quoted on ASX?

PINCHme will apply to ASX within seven days after the Prospectus Date for its admission to the Official List, and quotation of CDIs by ASX under the code ‘PIN’.

If permission is not granted for official quotation of the CDIs on ASX within three months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received by PINCHme Group will be refunded (without interest).

### What is the allocation policy?

The allocation of CDIs between the General Offer, Broker Firm Offer and Priority Offer will be determined by the Company, having regard to the allocation policies outlined in Sections 7.7.5, 7.8.5 and 7.9.5.

In respect of the Broker Firm Offer, it is a matter for each Broker to determine how they will allocate CDIs among their eligible retail clients who participate in the Offer.

The final allocation of CDIs under the Priority Offer will be determined by the Company, subject to the minimum allocation for Applicants under the Priority Offer.

The final allocation of CDIs under the General Offer will be determined by the Company, subject to the minimum allocation for Applicants under the General Offer.

### What are the tax implications of investing in the CDIs?

A summary of certain Australian tax consequences of participating in the Offer and investing in CDIs are set out in Section 9.11.

The tax consequences of any investment in CDIs will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.

### How can I apply for CDIs?

#### Broker Firm Offer Applicants

If you wish to apply for CDIs under the Broker Firm Offer, please complete the Broker Firm Application Form attached to or accompanying this Prospectus in accordance with the instructions set out on that form, and follow the instructions of the Broker who invited you to participate in the Offer.

#### Priority Offer Applicants

If you have received a personalised invitation to apply for CDIs under the Priority Offer, please follow the instructions on your personalised invitation to apply.

#### General Offer Applicants

If you wish to apply for CDIs under the General Offer, please complete and lodge the online General Offer Application Form that will accompany the electronic form of this Prospectus in accordance with the instructions set out on that online form.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>For more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the minimum Application size?</td>
<td>The minimum Application size under the Offer is $2,000 of CDIs in aggregate.</td>
<td>Section 7.7.3</td>
</tr>
<tr>
<td>When will an Applicant receive confirmation that their Application has been successful?</td>
<td>It is expected that initial holding statements will be dispatched to successful Applicants by standard post on or around 11 October 2018.</td>
<td>Section 7.6</td>
</tr>
<tr>
<td>Is there any brokerage, commissions or stamp duty payable by Applicants?</td>
<td>No brokerage, commission or stamp duty will be payable by Applicants on the acquisition of CDIs under the Offer.</td>
<td>Section 7.6</td>
</tr>
<tr>
<td>Are there any conditions to the Offer?</td>
<td>No, other than raising the Minimum Subscription within four months after the date of this Prospectus and ASX approval for quotation of the Shares, the Offer is unconditional.</td>
<td></td>
</tr>
<tr>
<td>Is there a cooling-off period?</td>
<td>No, there is no cooling-off period.</td>
<td></td>
</tr>
<tr>
<td>Can the Offer be withdrawn?</td>
<td>The Company may withdraw the Offer at any time before the allocation and issue of CDIs to successful Applicants under the Offer.</td>
<td>Section 7.14</td>
</tr>
<tr>
<td></td>
<td>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).</td>
<td></td>
</tr>
<tr>
<td>Where can I find out more information about this Prospectus or the Offer?</td>
<td>All enquiries in relation to this Prospectus should be directed to the PINCHme Group IPO Offer Information Line on:</td>
<td>Section 7.6</td>
</tr>
<tr>
<td></td>
<td>• within Australia 1800 810 827; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• outside Australia: +61 1800 810 827, from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If you have any questions about whether or not to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, tax adviser, lawyer or other professional adviser before deciding whether or not to invest.</td>
<td></td>
</tr>
</tbody>
</table>
PINCHme operates a leading product sampling and digital promotions platform with a member community of over four million\textsuperscript{1} US consumers that it intelligently connects with fast moving consumer goods (FMCG) clients.

\textsuperscript{1} As at 30 June 2018.
2.1 Introduction
PINCHme operates a leading product sampling and digital promotions platform with a member community of over four million US consumers that it intelligently connects with FMCG clients. It was established to address a number of issues faced by FMCG manufacturers, including the decline in effectiveness of traditional mass media marketing channels (particularly with Millennials), retail disruption through the advent of Amazon and other e-commerce platforms, as well as competition from the growth of retailer white label brands and direct-to-consumer FMCG business models.

PINCHme derives revenues from two key businesses:

- a sampling business, through which FMCG clients pay PINCHme for product sampling and consumer research studies using its member community; and
- an audience monetisation business which involves third parties (who may or may not be FMCG clients) paying PINCHme to promote digital advertising offers and third party hosted surveys to its member community.

PINCHme operates within the broader US marketing industry and, within this, its:

- sampling business operates in the FMCG consumer promotion and market research sectors;
- audience monetisation business operates in the performance-based online advertising sector and online market research sector.

The remainder of this Section 2 describes the US FMCG industry and the performance-based online advertising industry, as well as the various trends that support the Company’s growth.

2.2 US FMCG industry

2.2.1 Introduction
The FMCG industry (also known as the consumer-packaged goods or “CPG” industry) manufactures and distributes products for consumers that are purchased and used on a frequent basis such as beauty, personal care, pet, food and beverage and home care products. These products are usually sold through third party retail outlets, most commonly supermarkets or similar grocery stores. In 2017, the FMCG industry in the US is estimated to have achieved total sales of approximately US$760 billion.

The FMCG industry is dominated by large, multi-national companies, often offering multiple brands, although there are also many smaller companies often active in single product categories. As shown below in Table 2.1, large US-headquartered FMCG companies include Procter & Gamble, PepsiCo, Anheuser-Busch InBev and Coca-Cola. Many non-US headquartered FMCG companies are also active in the US, including Nestlé, L’Oréal, Unilever and Reckitt Benckiser. Many of these companies are existing clients of PINCHme.

---

1. As at 30 June 2018.
<table>
<thead>
<tr>
<th>Company</th>
<th>Main Category</th>
<th>2017 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philip Morris International</td>
<td>Tobacco products</td>
<td>$78 billion</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>Personal care</td>
<td>$65 billion</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>Beverages</td>
<td>$63 billion</td>
</tr>
<tr>
<td>Anheuser Busch InBev</td>
<td>Beverages</td>
<td>$56 billion</td>
</tr>
<tr>
<td>Tyson Foods</td>
<td>Food products</td>
<td>$38 billion</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>Beverages</td>
<td>$35 billion</td>
</tr>
<tr>
<td>3M</td>
<td>Healthcare products</td>
<td>$32 billion</td>
</tr>
<tr>
<td>Kraft Heinz</td>
<td>Food products</td>
<td>$26 billion</td>
</tr>
<tr>
<td>Mondelez International</td>
<td>Food products</td>
<td>$26 billion</td>
</tr>
<tr>
<td>Altria Group</td>
<td>Tobacco products</td>
<td>$26 billion</td>
</tr>
</tbody>
</table>


### 2.2.2 Trends in the FMCG industry

According to Frost & Sullivan, FMCG companies are generally facing relatively flat or slow-growth markets in major developed economies such as the US, and increasingly challenging business conditions overall. Over the period 2012 to 2016, based on analysis of 34 of the top 50 FMCG companies, 85% had experienced a decline in either revenues, profits, or both, and the average annual rate of revenue growth had reduced from 7.7% in 2006 to 2011 to 0.7% in 2012 to 2016.

Frost & Sullivan attributes the moderation in revenue growth to a number of factors, including:

- slowing rates of market growth in developing markets;
- the increased challenge from smaller, “insurgent” brands that operate direct-to-consumer such as Dollar Shave Club (see Figure 2.1);
- competitive ‘white label’ brands offered by the major retailers; and
- an appreciation of the US dollar which has reduced revenues denominated in other currencies.

In light of these challenges, FMCG companies are seeking growth in a number of ways:

- many are increasingly focused on globalising their businesses;
- they are taking new approaches to product innovation and testing, for example through partnering with consumers through online communities such as PINCHme, and reinventing well-established brands and products; and
- they are increasingly using online platforms across their business operations, including in the way that they engage with consumers. This includes an increased use of online channels to market and sell to consumers (online sales of FMCG products are forecast to increase from US$8 billion in 2013 to US$36 billion by 2018).

---


4. ‘White label’ brands are products or services produced by one company that other companies (such as supermarkets) rebrand to make it appear as if they had produced it themselves.
A major issue for FMCG companies has been a lack of direct contact with consumers, as their products have typically been purchased by consumers in third-party owned retail stores. In contrast, direct-to-consumer retailers have used strategies such as consumer loyalty programs which allow them to reach out to consumers and gather product feedback or make tailored offers.

To address this gap, FMCG companies are increasingly using online platforms to build and enhance a direct relationship with consumers. Influence from online channels can occur at all stages of a consumer’s purchasing decision and it has been estimated that 77% of US consumers find inspiration on products to buy from online platforms, including social media, blogs and online sampling.

2.2.3 FMCG marketing spend

Total marketing expenditure by FMCG companies in the US is estimated to have been US$225 billion in 2016, which represents around 30% of total industry sales of US$760 billion. This expenditure can be segmented by activity, and incorporates traditional advertising (such as TV, magazine, radio and newspaper advertising), trade promotion (which includes temporary price reductions and ongoing price management by manufacturers, as well as in-store features and displays), consumer promotion (which includes product sampling as well as retailer-agnostic coupons and discounts), shopper marketing (which includes in-store events and demonstrations, retailer-specific coupons, in-store advertising, and merchandising fixtures) and online marketing. In 2017, trade promotion was the most significant area of expenditure, at an estimated 43% of the total, followed by online marketing at an estimated 20%, as shown in Figure 2.2.

Over recent years, expenditure on new marketing approaches such as shopper marketing and online marketing has grown significantly, largely in place of advertising and trade promotions. As shown in Figure 2.2, in 2012 online channels accounted for only 7% of marketing expenditure by FMCG companies, but by 2017 this had increased to an estimated 20%, representing US$45 billion of marketing expenditure through online channels.

Online marketing by FMCG companies incorporates a range of activities including social media activities, banner advertising and online coupons. Over recent years, the strongest growth has been in social media activities, with expenditure on online video also increasing significantly. In 2017, social media and online video are estimated to account for around 38% of online marketing expenditure by FMCG companies.

2.3 Consumer promotion sector

2.3.1 Overview

PINCHme’s sampling business operates within the consumer promotion sector of the US marketing industry, a sector on which US FMCG companies are estimated to have spent approximately US$25 billion in 2017.

Traditionally, product sampling was undertaken in-store or at outdoor environments, where product samples were distributed to any consumer that was willing to take one, and with little or no data collected from those consumers about their experience with the product. In more recent times, this process has been evolving to operate through online channels. Online sampling allows FMCG companies to undertake targeted sampling campaigns more efficiently and effectively than traditional in-store or outdoor sampling, in a direct-to-consumer capacity. Samples can be sent to highly targeted groups of consumers, with their reaction to products measured and tracked on an ongoing basis. This provides FMCG companies with much richer data than that traditionally generated through in-store sampling programs, and significantly enhances the return on investment from sampling campaigns. Other factors, such as growing social media penetration, the growth of social commerce (the use of social media channels to assist online buying of products) and the increased use of collaboration by FMCG companies in activities such as product innovation and testing, are also stimulating the use of online sampling.

FIGURE 2.3: DIFFERENT SAMPLING TECHNIQUES

Source: Adapted from a whitepaper from The RedPepper Lab – Guide to Product Sampling in the Digital World.

PINCHme’s sampling business uses the “Online sampling platforms” technique.

2.3.2 PINCHme competitive position

Within its product sampling business, PINCHme believes it has no direct competitor of scale with an equivalent service offering. It does, however, compete against other direct-to-consumer sampling businesses for product share. Some of PINCHme’s potential competitors and a summary of their business models are detailed in Figure 2.4.

FIGURE 2.4: SAMPLING COMPETITORS

<table>
<thead>
<tr>
<th>Focus</th>
<th>Companies</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce sampling</td>
<td>BRANDSHARE = exact</td>
<td>• Insert samples in delivery boxes of e-commerce partners (e.g. Zulily), minimizing postage costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited targeting of consumers, similar to traditional street corner sampling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited data or insights</td>
</tr>
<tr>
<td>Social sampling</td>
<td>influenster crowdtap BzzAgent</td>
<td>• Smaller unit volume campaigns sent to social media influencers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Typically, high cost per trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited sales uplift from sample receivers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited data or insights (except for social impressions)</td>
</tr>
<tr>
<td>Limited run/occasional online sampling</td>
<td>Home foster Club GOODY BOX samplesource.com</td>
<td>• Smaller players with limited audience or product scale</td>
</tr>
<tr>
<td>platforms</td>
<td></td>
<td>• Limited run distributions of small volumes</td>
</tr>
</tbody>
</table>

Source: Company.

2.4 Market research sector

2.4.1 Overview

PINCHme’s sampling business also competes within the US market research sector, conducting consumer research studies with PINCHme members on behalf of the Company’s FMCG clients. In addition, as part of its audience monetisation business, PINCHme encourages its members to participate in surveys hosted by third party partner websites, whose clients span a wide variety of industry sectors, and so also operates in the market research sector.

The market research sector generated an estimated US$19.8 billion in revenue in 2016, of which FMCG companies were estimated to represent approximately US$3.6 billion. As shown in Figure 2.5, between 2011 and 2016, market research sector revenue has increased at an estimated Compound Annual Grow Rate (CAGR) of 7.3%. Sector revenue equates to expenditure on market research by US companies and organisations (excluding expenditure on in-house market research activities).

Market research activity is increasingly being conducted online, even for “qualitative” research which has traditionally been conducted through offline channels such as face-to-face or telephonic interviews or focus groups. Expenditure on online panels, PINCHme’s specific area of business focus within the US market research space, was estimated to account for around 2% of total market research expenditure in 2016, or approximately US$400 million.

CAGR of 7.3% from 2011 to 2016


CAGR = Compound Annual Growth Rate.

2.4.2 PINCHme competitive position

PINCHme competes against consumer survey businesses, however these businesses may also be clients, with PINCHme being paid by third party providers for PINCHme members signing up for their online panels, or for surveys being completed by PINCHme members on their websites. Research undertaken in 2015 estimated that approximately 15 million US adults were members of online panels for which they receive invitations to complete surveys as part of market research studies. The largest online panel companies (by number of panel members) are listed in Table 2.2, although there is likely to be considerable overlap between panel members of various providers.

TABLE 2.2: LARGEST US ONLINE PANEL PROVIDERS BY NUMBER OF PANEL MEMBERS (2015)

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of Panel Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prodege MR</td>
<td>11 million</td>
</tr>
<tr>
<td>Harris</td>
<td>6 million</td>
</tr>
<tr>
<td>SurveySpot, OpinionWorld</td>
<td>3 million</td>
</tr>
<tr>
<td>Research Now</td>
<td>3 million</td>
</tr>
<tr>
<td>NPD – VIP Voice</td>
<td>2.5 million</td>
</tr>
<tr>
<td>Toluna</td>
<td>2.3 million</td>
</tr>
</tbody>
</table>


## 2.5 Performance-based online advertising sector

### 2.5.1 Overview

PINCHme’s audience monetisation business derives revenue from third parties through services such as targeted email offers and onsite digital advertising promotions, which are included within the performance-based online advertising sector.

Online advertising (of which performance-based online advertising forms part) is a form of advertising in which promotional messages are delivered to consumers over the internet and can be viewed on any device on which the internet can be accessed, such as a laptop, PC, tablet or smartphone. In recent years, online advertising has overtaken TV to become the largest advertising format in the US by total expenditure. In 2017, online advertising accounted for 38% of all advertising expenditure in the US, as set out in Figure 2.6.

**FIGURE 2.6: PERCENTAGE OF ADVERTISEMENT EXPENDITURE IN THE US BY FORMAT (2017)**

![Pie chart showing percentage of advertisement expenditure in the US by format (2017)]

<table>
<thead>
<tr>
<th>Format</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>38%</td>
</tr>
<tr>
<td>TV</td>
<td>31%</td>
</tr>
<tr>
<td>Magazines</td>
<td>9%</td>
</tr>
<tr>
<td>Radio</td>
<td>8%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>7%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>4%</td>
</tr>
<tr>
<td>Music</td>
<td>1%</td>
</tr>
<tr>
<td>Video games</td>
<td>1%</td>
</tr>
<tr>
<td>Cinema</td>
<td>1%</td>
</tr>
</tbody>
</table>


The US online advertising sector has grown significantly. As shown in Figure 2.7 below, since 2010, expenditure on online advertising in the US has increased at a CAGR of 19%, to reach an estimated US$88.1 billion in 2017.13

**FIGURE 2.7: US ONLINE ADVERTISING EXPENDITURES FROM 2010 TO 2017 (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>26.0</td>
</tr>
<tr>
<td>2011</td>
<td>31.7</td>
</tr>
<tr>
<td>2012</td>
<td>36.6</td>
</tr>
<tr>
<td>2013</td>
<td>42.8</td>
</tr>
<tr>
<td>2014</td>
<td>49.5</td>
</tr>
<tr>
<td>2015</td>
<td>59.6</td>
</tr>
<tr>
<td>2016</td>
<td>72.5</td>
</tr>
<tr>
<td>2017</td>
<td>88.1</td>
</tr>
</tbody>
</table>


---

Within the online advertising sector, performance-based online advertising describes a business model in which the publisher of an online advertisement, such as PINCHme, is remunerated by an advertiser or an intermediary based on defined outcomes achieved by the publisher from promoting their advertisement (such as click-throughs, leads/registrations generated or even sales generated on the advertiser’s website).

Performance-based online advertising contrasts to “impression-based” advertising, where publishers are paid by advertisers based on the number of times that an advertisement is served or displayed on their website but takes no account of the effectiveness of the advertisement. Performance-based online advertising is becoming an increasingly common business model for online advertising due to the advantages it offers, including:

- the model provides an easily-measurable return on investment for advertisers, since the advertiser only pays for tangible outcomes resulting from the advertisement;
- it allows advertisers to reach audiences that they would not otherwise be able to communicate with directly, which can help drive brand awareness for the advertiser and also increase sales;
- publishers can often improve search engine optimisation for advertisers, as they drive web traffic to the advertiser, providing a benefit in terms of inbound web traffic; and
- it provides advertisers with richer data on consumers than they are typically able to acquire from direct marketing efforts.

Over recent years, performance-based online advertising has increased its share of total online advertising expenditure in the US. It now accounts for over 60% of all online advertising expenditure, which implies expenditure of approximately US$53 billion per annum.

**FIGURE 2.8: US ONLINE ADVERTISING EXPENDITURE BY PRICING MODEL 2006 TO 2017**

PINCHme sources the performance-based advertisements that are emailed or shown to members on its website, either from advertisers directly or from intermediary affiliate networks. Affiliate networks are a type of performance-based online advertising provider that allow website publishers to more easily find suitable advertisements for their website or email monetisation efforts (and thus generate revenue). For advertisers, affiliate networks are an increasingly important source of driving sales. Marketing expenditure with affiliates is forecast to increase at a CAGR of over 10% between 2015 and 2020, to reach $6.8 billion by 2020. Based on a survey of 150 advertising decision-makers at US companies, over 80% advertise through affiliates with the intention of influencing all stages of the consumer journey.

### 2.5.2 PINCHme competitive position

The performance-based online advertising industry is large, with a large number of competitors. PINCHme currently only has a very small market share of this sector based on its total revenue, however there is significant potential for growth in this sector given the forecast increase in marketing expenditure.

---

PINCHme is a New York based company that operates a leading product sampling and digital promotions platform in the US.

PINCHme’s platform intelligently matches large FMCG brands with PINCHme’s own members, who are consumers that have provided PINCHme with comprehensive personal data about themselves and their spending habits.
3.1 Introduction to PINCHme

PINCHme is a New York based company that operates a leading product sampling and digital promotions platform in the US. PINCHme’s platform intelligently matches large FMCG brands with PINCHme’s own members, who are consumers that have provided PINCHme with comprehensive personal data about themselves and their spending habits. In return for the data they provide, PINCHme’s members receive free samples of products already available in-store or access to products ahead of their store release, while the FMCG brands receive detailed insights, product reviews and feedback and social media engagement, all of which assist in driving sales uplift. In addition to revenues derived from the FMCG brands for providing these services, PINCHme is able to further ‘monetise’ its member audience through strategies such as performance-based online advertising and survey based revenue streams.

PINCHme’s founder, Jeremy Reid, created the Company and designed its platform to address four key issues in the FMCG market:

- consumers want to “try before they buy”; particularly among the typically cost-conscious segment that shops at Walmart, Target and other mass market retailers;
- FMCG brands were suffering a high degree of product wastage in their traditional product sampling efforts, as samples were inefficiently distributed in-store or in outdoor environments without appropriate consumer targeting or collection of feedback and data;
- large FMCG brands were losing market share to:
  - competitive white label brands offered by major FMCG retailers (such as Walmart and Target) which have direct access to in-store product purchase data by consumers; and
  - more nimble direct-to-consumer brands which more effectively leverage lower cost social media and performance-based online marketing rather than the traditional marketing tools of television, print and radio (which were declining in effectiveness); and
- a shift in consumer FMCG purchasing, particularly among Millennials, from traditional supermarkets and retail stores to a powerful new breed of online retailer, particularly Amazon, requiring large FMCG brands to rethink their marketing strategy.

PINCHme has now established a member community that consists of over 4 million members, has undertaken over 500 sampling programs for more than 100 leading FMCG brands, with more than 85% of campaigns being undertaken for repeat clients. The Company has also established an “audience monetisation” business that now contributes a meaningful and growing portion of the Company’s overall revenue base. The Company is well placed to continue to grow this community and create further “monetisation” opportunities through providing value-added services for FMCG brands and other companies seeking access to highly targeted consumer groups within the PINCHme community.

PINCHme has an entrepreneurial and experienced management team with a material vested interest in the Company. It was established and has been grown by Jeremy Reid, who is passionate about the business, its strategic direction and long-term future growth. Jeremy has assembled, and is supported by, an experienced management team.

PINCHme operates solely in the US and competes across the sampling/consumer promotion and market research sectors of the US FMCG marketing industry as well as the performance-based online advertising sector and online market research sector. PINCHme currently has a team of 40 full time employees who are based in the Company’s New York office.

1. As at 30 June 2018.
3.2 Company history
PINCHme was founded in Sydney, Australia in 2012 as a test for the business concept before establishing the business in the US in November 2013. At the time of its move, PINCHme estimates that it had registered approximately 500,000 Australians to its community (which represented approximately 2% of the Australian population at the time), demonstrating the strength of its model. The Company’s move to the US allowed it to leverage the early success demonstrated in Australia and focus on addressing a significantly larger market opportunity alongside key global FMCG brands operating in the US.

In 2015, the Australian arm of the business was sold and the Company has focused solely on the US since this time.

A summary of key events in the Company’s history is set out in Figure 3.1.

![FIGURE 3.1: KEY MILESTONES SINCE INCEPTION](image)

3.3 Business model
PINCHme derives revenue from two key businesses:
- a sampling business, through which FMCG brands pay PINCHme for product sampling (including consumer research studies); and
- an audience monetisation business, which involves PINCHme promoting performance-based online advertising and third party hosted surveys to its members.

The revenue contribution of each of these businesses from FY2015 to FY2018F is set out in Figure 3.2 and shows audience monetisation being the fastest growing component of revenues.
3.3.1 Sampling

PINCHme’s sampling business involves FMCGs paying PINCHme to provide product samples to a targeted subset of PINCHme members based on a set of consumer characteristics defined by the FMCG client, such as age, gender, geography, number of children or pet ownership, etc. In contrast to traditional sampling campaigns, PINCHme’s platform provides the opportunity for FMCG brands to specifically tailor the audience that receives its samples and receive detailed feedback on the results of the sampling campaign.

The Company currently carries out two distinct types of sampling campaigns, being:
• targeted, request based sampling; and
• consumer research studies.

Targeted, request-based sampling typically focuses on product trial and awareness, in order to achieve greater audience reach and sales conversion for brands. In contrast, consumer research studies typically focus on products that are earlier in the development phase and allow FMCG brand clients to gain insights from a focused group of targeted consumers, which may inform product innovation and future rollout (e.g. testing taste, feel, and product packaging design).

A summary of how PINCHme’s sampling business works is provided in Figure 3.3.

---

2. The FY2018 revenue split in Figure 3.2 is based on the Company’s forecast FY2018 revenues. Refer to Section 4 for further details on the Company’s financial information, including its financial forecasts. There can be no guarantee that PINCHme will achieve its stated objectives or that any Forward looking statement or forecasts will eventuate.
3.3.1 Targeted, request-based sampling

PINCHme runs targeted sampling campaigns every month, with new samples typically released on the second or third Tuesday of the month (known by members as “Sample Tuesday”).

The targeted, request-based sampling process can be summarised as follows:

- PINCHme’s FMCG clients provide the Company with product samples and advise PINCHme on the particular consumer characteristics they are seeking to target. Sample numbers for a typical client sampling campaign might range anywhere from 25,000 up to 1 million units, depending on the needs and budget of the FMCG brand;
- PINCHme heavily promotes Sample Tuesday on social media to drive its members to PINCHme’s website to claim their samples. Certain preferential members may be notified and allowed to claim ahead of Sample Tuesday (typically the Monday beforehand) with members classified as preferential based on both their profitability potential as well their ability to assist in meeting certain client campaign goals;
- Each member is provided a tailored set of sample products to choose from based on a match of their personal characteristics and those sought by the relevant FMCG brands. The member selects those products they wish to receive, and may be restricted from taking all of the samples available to them to ensure they are most motivated to try the samples they do select, as well as to allow more PINCHme members to receive samples overall;
- Samples are allocated on a first come, first served basis. For as long as samples are available for distribution, members who meet the targeted characteristics can discover and access new products throughout the month;
- Once selected, PINCHme dispatches the member’s samples in a customised PINCHme gift box. Boxes typically contain around 2-3 samples, with PINCHme balancing the reduction in expense that results from sending multiple products in a single box, with the desire to send a box to as many members as possible, in order to maximise member engagement. PINCHme endeavours to ensure that competing products or brands are never included in the same box;
• After members receive their samples they are required to complete mandatory product feedback surveys on each sample they receive. These surveys typically contain 6-8 questions about each sample and take 2-3 minutes to complete per sample. If members do not complete these surveys within the allotted 30-day timeframe, it can ultimately preclude them from participating in future sampling campaigns.

• In addition to the mandatory product feedback, members can choose to leave optional product ratings and reviews on the samples they receive including a 1 to 5-star rating and verbal recommendation. PINCHme is integrated with several third party review syndication platforms to help moderate the reviews left by members and syndicate the reviews to leading e-commerce retailer websites such as Walmart.com or Target.com, as well as PINCHme’s FMCG clients’ websites. The ratings and reviews left by members that are published to e-commerce retailers provide valuable content that helps to drive incremental sales across the web; and

• Members can also choose to share their experiences with each product that they receive on the social media platforms they engage with (including Facebook, Instagram, YouTube and Twitter).

On completion of the campaign, FMCG clients receive comprehensive post-campaign reports that track consumer experience up to the point of purchase. Around ten days after the last sample is claimed, PINCHme provides the client with an initial report that details the general characteristics of PINCHme members who claimed their sample (age, gender, location, income level etc.). Around six weeks post campaign, PINCHme provides clients with a comprehensive post-campaign report. This report summarises the product feedback received from members, the engagement metrics and social media interaction generated, the number and quality of ratings and reviews left by members on retailer sites, as well as estimated purchase conversion information. A summary of a post campaign report is provided in Figure 3.4.

FIGURE 3.4: EXAMPLE OF A TARGETED, REQUEST-BASED SAMPLING REPORT
PINCHme generates revenue for targeted request-based sampling campaigns directly from the FMCG brands, or from promotional advertising agencies representing the FMCG brands. Campaigns are priced to clients on a per sample basis (e.g. US$1.00 per sample) based on the shape, size and weight of a particular product sample to be shipped, the specificity of the member targeting criteria required by the client, and number of units in the campaign (with discounts provided for scale).

A typical targeted, request-based sampling campaign can involve anywhere between 25,000 and 1 million individual samples and generate US$25,000 up to US$500,000 in fees and can take between 30 and 90 days to complete.

Since its establishment, PINCHme has dispatched over 7 million boxes to PINCHme members, as set out in Figure 3.5.

**FIGURE 3.5: CUMULATIVE NUMBER OF BOXES SHIPPED FROM JUNE 2013 TO JUNE 2018**

PINCHme typically enters into Master Services Agreements with FMCG brands, which contain standard terms and conditions governing the relationship. The specific requirements and terms for each targeted, request-based sampling campaign are then negotiated on a campaign-by-campaign basis and documented in a separate order form. Refer to Section 9.8.1 for a summary of the typical terms of a Master Services Agreement.

### 3.3.1.2 Consumer research studies

PINCHme also generates revenues from consumer research studies. This is currently a relatively small but growing contributor to PINCHme’s overall revenue. Unlike targeted, request-based sampling campaigns, consumer research studies are typically niche, targeted campaigns that involve the distribution of products or samples to a much smaller, carefully selected group of members (typically 300–1,000). The studies incorporate extensive, detailed in-home testing and online survey feedback by the member which could take an hour or more to complete. FMCG brands generally partner with PINCHme for consumer research studies to gain detailed insight and feedback from their targeted demographic before a product is launched into the market, with testing sometimes conducted on an unbranded/white label basis so as not to influence the survey responses. Consumer research campaigns may also involve higher value products for which it would not be economically feasible to sample in larger quantities.

In order to achieve the best outcome for clients, PINCHme generally only invites members who are fully profiled and consistently provide timely, articulate, helpful and honest feedback, to participate in consumer research studies.

Consumer research study reporting typically includes a customised report based on a client’s specific goals. The report will analyse the underlying data from the surveys answered by PINCHme members and draw conclusions as appropriate. Clients also receive access to a live online reporting dashboard throughout the survey process on which they can track survey completion as well as download survey response data as necessary during or after the campaign.

PINCHme generates revenue for consumer research studies directly from the FMCG brands. The studies are priced based on the complexity of the work, analysis and reporting to be undertaken by PINCHme on the client’s behalf, as well as the cost of shipping and fulfilment. Pricing for consumer research studies can range from as little as US$15,000 up to US$100,000 for the most complex and lengthy studies that may last several months. Given the time commitment and effort involved, PINCHme members who participate in these studies may also be compensated with gift cards or other incentives at the end of the study.
3.3.2 Audience monetisation

Now that PINCHme has established a member community of scale, an increasing proportion of its future revenue is expected to be derived from ‘monetising’ this community and the data they provide to PINCHme. PINCHme’s audience monetisation business includes all strategies outside of direct FMCG client relationships that relate to PINCHme’s member community and that are not a direct result of distributing targeted request-based product samples or conducting consumer research studies. Non-FMCG clients include a range of third parties including Home Chef and also the agencies representing brands such as Atkins. PINCHme has now established what it believes is a member community that is attractive to a range of third parties. The data the Company has collected on its members allows it to tailor access to particular audiences for parties seeking access to consumers with a range of particular attributes.

Examples of the Company’s current audience monetisation strategies include:

- performance-based online advertising; and
- opt-in, third party hosted surveys completed by members (branded “QWIZme”).

The Company is continually investigating new strategies to grow the audience monetisation business. At any time it may be operating numerous strategies. Further example strategies for growing PINCHme’s audience monetisation business are set out in Section 3.7 on growth opportunities.

3.3.2.1 Performance-based online advertising

PINCHme provides a range of paid performance-based advertising offers to PINCHme members, both via email and on its website.

PINCHme sources relevant digital offers from intermediary affiliate advertising networks as well as directly from the end advertisers themselves. Those parties pay PINCHme on a performance basis for each lead or sale generated by PINCHme members from one of their advertising offers. Payments are typically on a cost-per-action basis, where a paid action by a PINCHme member could include them signing up for an email newsletter (e.g. BettyCrocker.com) or subscribing to a trial of a product (e.g. HomeChef.com).

Advertising offers are typically tested initially with small segments of the PINCHme member community based on the member profile data PINCHme collects to establish which type of members are most likely to produce the defined outcomes being sought and paid for by the advertiser. Advertising offers that meet PINCHme’s profitability benchmarks are then emailed to a broader subset of PINCHme members, before being added to its website. Offers are ranked against one another and displayed or sent selectively and sequentially to members to maximise PINCHme revenue and profitability.

PINCHme also partners with various third party performance advertising providers that are integrated with PINCHme’s website experience. For example, performance based advertising offers can be provided to a member when they sign up to PINCHme, complete their member profile or at an online checkout for samples).

3.3.2.2 QWIZme surveys

PINCHme provides its members with the opportunity to participate in surveys promoted on its website but ultimately completed by the member on third party websites, with PINCHme being paid for each successful survey completion by a PINCHme member. The Company has branded this business “QWIZme” on its website and in emails communicated to members.

PINCHme has integrated with a third party vendor which contracts with end market research clients looking for consumers to complete decision tree-type surveys. In return for completing these surveys, PINCHme provides members with opportunities to earn cash prizes and guaranteed PINCHme boxes. QWIZme surveys incorporate elements of ‘gamification’ via virtual token awards for successful survey completions and leaderboards highlighting weekly leaders and prize winners. Different prize token thresholds are established each week and successful winners announced on PINCHme’s website.

PINCHme generates revenues through a commission share from the third-party vendor on any client revenue from the surveys that PINCHme members complete.

3.3.3 Key operating costs

The primary costs associated with generating targeted, request-based sampling revenue includes the packing and shipping of the PINCHme sample boxes, the cost of acquiring and growing PINCHme’s member audience, the costs of hosting PINCHme’s website, and employee salary and other costs.
PINCHme has a distribution agreement in place with an outsourced third-party logistics provider, which has handled the majority of the packing and shipping of PINCHme boxes since the Company’s inception in the US. After employment related costs, payments to third party logistics providers each month represent the next largest individual cost line for the Company. Further information on PINCHme’s distribution agreement with its key outsourced third party logistics provider is outlined in Section 9.8.2.

3.4 The PINCHme ‘ecosystem’
PINCHme’s business model involves the interaction of three groups within its ecosystem, being the PINCHme member community, FMCG clients and social media influencers. Figure 3.6 summarises the interaction between these groups and the benefits derived by each.

**FIGURE 3.6: THE PINCHME ECOSYSTEM**

**FIGURE 3.7: BENEFITS FOR MEMBERS, FMCG CLIENTS AND SOCIAL MEDIA INFLUENCERS**

<table>
<thead>
<tr>
<th>For members</th>
<th>For FMCG clients</th>
<th>For social media influencers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Receive something for “free” in exchange for feedback</td>
<td>• Reach new customers</td>
<td>• Free samples</td>
</tr>
<tr>
<td>• Discover and gain confidence to buy new products post trial</td>
<td>• Target the right audience for their products</td>
<td>• Possibility of partnerships with FMCG brands leading to extended/future campaigns</td>
</tr>
<tr>
<td>• Receive products ahead of commercial release</td>
<td>• Create loyalty through customer engagement</td>
<td>• Personal brand promotion across PINCHme’s social media following</td>
</tr>
<tr>
<td>• A medium to have their voice heard on product features and ideas</td>
<td>• Increase trial of product amongst motivated consumers</td>
<td>• Opportunity to discuss product ahead of commercial release</td>
</tr>
<tr>
<td></td>
<td>• Create organic user-generated-content on their products via ratings and reviews, social media buzz</td>
<td>• Content for follower base</td>
</tr>
<tr>
<td></td>
<td>• Leverage proprietary network of 500+ bloggers</td>
<td></td>
</tr>
</tbody>
</table>
3.4.1 PINCHme member community

As at 30 June 2018 PINCHme had over four million members. PINCHme considers approximately 1.4 million of these members to be “active members” who interact with the PINCHme platform (whether via email or web browser) at least once every ninety days. Member interaction with the PINCHme platform is occasional in nature as the Company only directs certain portions of the community to visit the website each month, based on whether they qualify for particular sampling, advertising or survey promotions. Members can therefore remain “active” and continue to derive meaningful benefits, notwithstanding that they only visit PINCHme’s website on an occasional basis.

PINCHme is a free service to members and historically relatively few members have deactivated their member accounts. Between the Company’s establishment and 30 June 2018, approximately 50,000 members have deactivated their member accounts, or 1.2% of overall member signups to date.

The PINCHme member community’s core demographic is set out in Figure 3.8. Membership is almost 90 percent female, predominantly Millennial (with an average age of 36) and well distributed throughout the US continent, with 77% living in urbanised areas. Over half have children living at home and more than half own a pet. PINCHme considers this to be an attractive demographic from an advertiser perspective as it represents a sought-after target market for many advertiser clients.

FIGURE 3.8: PINCHme’s MEMBER DEMOGRAPHICS

PINCHme sources members through seven primary channels, being PINCHme’s blogger network, performance based advertiser networks, direct visits (from word of mouth recommendations), sweepstakes partnerships, paid referrals from third party website partnerships, search engines and social media.

---


3. All logos and company names are trade marks of their respective holders, owners or registered proprietors (Trade Mark Owners). Except as otherwise expressed in this Prospectus, use of these logos and company names in the Prospectus does not imply any affiliation with or endorsement by the relevant Trade Mark Owner. No Trade Mark Owner has authorised or caused the issue of this Prospectus, nor has any Trade Mark Owner made any statement in this Prospectus. Accordingly, no Trade Mark Owner makes any representation regarding, nor takes any responsibility for, any statements or materials in, or omissions from, this Prospectus.
PINCHme believes that it has a low cost member acquisition model, with approximately ninety percent\(^5\) of all members acquired to date at little to no cost via a mix of unpaid blogger network relationships (including unboxing videos on YouTube), direct visits, free cross-promotional sweepstakes with partner companies, search engine optimisation and member posts to friends and family on social networks (Facebook in particular).

Going forward, PINCHme anticipates a larger portion of its new member acquisition will come from paid sources. A primary source of paid member acquisitions is performance based advertiser networks, who connect companies looking for traffic to their websites (such as PINCHme) with publishers that can provide that traffic via website links. PINCHme pays these networks an agreed upon rate for each new member directed to PINCHme who signs up to its website. PINCHme also sources members via third party website partnerships. An example of a partner website working with PINCHme is “KrazyCouponLady.com”, which over the first six months of 2018 received approximately 8.7 million visits per month\(^6\). KrazyCouponLady places banner advertisements on its websites which redirect traffic to www.pinchme.com. PINCHme pays website partners like KrazyCouponLady an agreed upon rate for each new member who signs up to PINCHme’s website as a result of those banner advertisements.

At the time a member joins, he or she creates a basic profile, is prompted to follow PINCHme on social media and is presented with various digital offers, as set out in Figure 3.10. In addition, the member answers a series of detailed profile questions which dictate the type of samples for which the member may qualify. Topics on which data is collected include:

<table>
<thead>
<tr>
<th>Household income</th>
<th>Number of children</th>
<th>Competitive brand use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Age of children</td>
<td>Preferred retailer</td>
</tr>
<tr>
<td>Age</td>
<td>Number of pets</td>
<td>Environmentally conscious</td>
</tr>
<tr>
<td>Birth date</td>
<td>Pet size</td>
<td>Beauty enthusiast</td>
</tr>
<tr>
<td>Gender</td>
<td>Whether moving households</td>
<td>Health conscious</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Whether expecting a baby</td>
<td>Competitive brand use</td>
</tr>
</tbody>
</table>

---

5. As at 30 June 2018.

6. PINCHme management estimates derived from visitor data from similarweb.com which is based on Google Analytics data.
SECTION 3. COMPANY OVERVIEW

FIGURE 3.10: EXAMPLE OF THE ON-BOARDING PROCESS (VIA MOBILE PHONE)

<table>
<thead>
<tr>
<th>1. Profile Creation</th>
<th>2. Social Media</th>
<th>3. Digital Offers</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Profile Creation" /></td>
<td><img src="image2" alt="Social Media" /></td>
<td><img src="image3" alt="Digital Offers" /></td>
</tr>
</tbody>
</table>

FIGURE 3.11: EXAMPLE OF PROFILE QUESTIONS

- What is your relationship status? Married
- Including yourself, how many people are in your household? 3
- Do you have any children under the age of 18 living at home? Yes
- Please tell us a little about each of your children:
  - Child 1: Birth Month/Year: January 2016, Gender: Male, Additional Child
- Are you or anyone in your household currently pregnant? Yes
- What is your combined annual household income? $80,000 - $99,999
- Which of the following best represents your ethnic or racial background? White or Caucasian
- What is the highest level of education that you have completed? Master's Degree
- What are you passionate about?
  - Beauty & Cosmetics
  - Health & Fitness
  - Music
  - Other

PINChme's member community has grown significantly since the Company was established in 2013, as set out in Figure 3.12. Between 1 January 2018 and 30 June 2018, an average of 108,727 new registered members joined the PINChme community per month.

The assumptions regarding forecast member growth in FY2018 are set out in Section 4.16.
3.4.2 FMCG Clients

As at 30 June 2018, PINCHme had worked with over 100 major FMCG brands of which 45 have worked with the Company between 1 January 2018 and 30 June 2018. PINCHme’s existing clients include some of the largest household brands in the US FMCG industry including Nestlé, Johnson & Johnson and Procter & Gamble. PINCHme undertakes a variety of sampling and digital advertising campaigns on behalf of its clients. As set out in Figure 3.13, some clients work with the Company for sampling only, others work with it solely for performance-based online advertising promotions, while others work with the Company on both sampling and performance-based online advertising campaigns.

PINCHme has a dedicated sales and account management team which is responsible for signing and on-boarding new client product sampling campaigns and facilitating campaigns from existing clients.
3.4.3 Social media and social media influencers

Social media plays an important role in the ongoing growth of PINCHme and an important channel to achieve client campaign awareness goals. PINCHme has a strong social media presence, as shown in Figure 3.14.

**FIGURE 3.14: SOCIAL MEDIA FOLLOWERS AS AT 30 JUNE 2018**

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Why a member interacts with the platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>1.1m likes Stay up-to-date on new samples, watch live PINCHme video content and hear about fun giveaways and competitions</td>
</tr>
<tr>
<td>Instagram</td>
<td>420k followers Stay up-to-date on new samples, watch behind-the-scenes stories and hear about fun giveaways and competitions</td>
</tr>
<tr>
<td>YouTube</td>
<td>249k subscribers Watch blogger un-boxings and exclusive YouTube only content</td>
</tr>
<tr>
<td>Twitter</td>
<td>208k followers Members can tweet about product samples and share opinions</td>
</tr>
</tbody>
</table>

7. All logos and company names are trade marks of their respective holders, owners or registered proprietors (Trade Mark Owners). Except as otherwise expressed in this Prospectus, use of these logos and company names in the Prospectus does not imply any affiliation with or endorsement by the relevant Trade Mark Owner. No Trade Mark Owner has authorised or caused the issue of this Prospectus, nor has any Trade Mark Owner made any statement in this Prospectus. Accordingly, no Trade Mark Owner makes any representation regarding, nor takes any responsibility for, any statements or materials in, or omissions from, this Prospectus.
The key roles of social media in PINCHme’s business model include:

- driving member acquisition through effective communication with its existing community and potential new members to introduce new brands, products and sample boxes, generate awareness for upcoming campaigns and promote the benefits of joining the community;
- introducing new products to build awareness around an upcoming sample release. Frequent and scheduled posts, including weekly live video content programming on Facebook, enable members to be in-the-know ahead of a campaign;
- using paid influencers to post images and live video in order to achieve specific campaign and impression goals based on client needs;
- engaging bloggers to film an ‘unboxing’ videos in advance of “Sample Tuesday”. YouTube is used by bloggers to share content amongst his or her network; and
- as a means for PINCHme members to share their opinions directly with FMCG brands, other members of the community and PINCHme.

PINCHme engages a network of more than two thousand social media influencers with large social media followings on YouTube, Instagram and Facebook, to post on behalf of PINCHme and its client base. These influencers have social followings ranging from as low as 20,000 followers to as high as 1 million. Influencers help build awareness for PINCHme’s FMCG client brands while, at the same time, helping to drive new member registrations for the Company on its website through posting about the benefits of the PINCHme platform.

The biggest driver of unpaid new member acquisition comes from ‘unboxing’ videos posted by influencers on YouTube.com. These videos are “evergreen” or always available content that have the advantage of continuing to organically drive new member signups to the PINCHme platform. Posts by influencers on Facebook and Instagram are typically designed to amplify client brand awareness, with a smaller percentage of posts focused on new member acquisition.

**FIGURE 3.15: EXAMPLE POSTS VIA PINCHme’s INSTAGRAM PROFILE, INTRODUCING NEW PRODUCTS AND CAMPAIGNS**
Social media followers (being the combined number of followers on Facebook, Instagram, YouTube and Twitter) have grown strongly to over 2 million combined followers as of 30 June 2018. The Company has nearly doubled its follower base since the beginning of 2017.
3.5 Key strengths of the PINCHme ecosystem

3.5.1 Trusted and established partnerships with leading FMCG brands

Forty-five leading FMCG brands actively worked with PINCHme between 1 January 2018 and 30 June 2018 and over 100 brands have worked with the Company since its establishment. Since inception, more than 85% of campaigns have been undertaken by repeat clients with more than 500 product campaigns undertaken in total to date.

FIGURE 3.18: SELECTION OF FMCG BRANDS THAT HAVE UNDERTAKEN PINCHME CAMPAIGNS SINCE ESTABLISHMENT

<table>
<thead>
<tr>
<th>Top clients</th>
<th>Number of programs since launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nestlé</td>
<td>78</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>45</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>29</td>
</tr>
<tr>
<td>Large French based cosmetics company</td>
<td>23</td>
</tr>
<tr>
<td>Mars Wrigley</td>
<td>20</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>12</td>
</tr>
<tr>
<td>Kraft</td>
<td>10</td>
</tr>
<tr>
<td>Large British-Dutch transnational consumer goods company</td>
<td>10</td>
</tr>
<tr>
<td>Chattem Labs</td>
<td>7</td>
</tr>
<tr>
<td>Large American multinational conglomerate corporation</td>
<td>7</td>
</tr>
</tbody>
</table>

3.5.2 Proprietary and scalable technology platform

PINCHme’s platform has been fully developed in-house and the Company believes it provides advantages over competitors in its scalability, security, ease of use and focus on user experience. Thousands of new members join the community each month, welcomed through a dynamic onboarding system where users provide information on more than 50 data points as well as being shown targeted offers. The platform also has dynamic campaign targeting capabilities, which use the data collected to display relevant samples for members to claim. PINCHme’s website is hosted in Amazon Web Services (AWS), using auto scaling features based on required current user load. This enables the Company to scale up infrastructure needs on the busiest “Sample Tuesdays”, serving millions of page views per hour during the busiest periods, then automatically scaling down during off-peak times to reduce hosting costs. The main database is hosted on an AWS owned database platform which adds redundancy and back up capability in case of database issues or failure. Data and analytics is conducted through a data lake, which is hosted by a third party. A data lake holds a vast amount of raw data in its native format until it is required. This process enables complex machine learning algorithms and other reports to be run on the data collected without impacting the performance on the website. PINCHme has made significant investments to date to allow the systems to cope with the Company’s growth trajectory.
3.5.3 Large and data-rich member community
PINCHme believes it operates one of the larger profiled communities in the US FMCG space, with more than 4 million members. The data-rich platform stores over 50 different data points on each consumer, which it uses to match consumers with targeted product sample campaigns, consumer research studies and associated sales-related marketing, as well as performance-based online advertising offers. PINCHme continues to collect further data points based on usage and participation, with approximately 1.4 million members actively engaged with the PINCHme platform. The volume and quality of data stored enables the Company to harness insights from its member base and build out machine learning capability to further enhance the business model.

The Company believes that this large volume of data forms a distinct barrier to entry for new entrants into the online sampling and consumer research market, which would take several years to generate equivalent data-rich insights on a comparable number of consumers.

3.5.4 The “network effect”
The size of PINCHme’s member community and the quality and diversity of its social influencer and blogger network makes PINCHme an attractive partner for FMCG brands. As the Company increases the number of members within its community, it expects to attract further high-quality FMCG brand clients. A larger member audience also unlocks the potential for higher volume sampling campaigns from both existing and new FMCG brand clients, which in turn will provide product samples and content with which to attract and engage new members. This phenomenon is known as the “network effect”.

The availability of more, and a greater diversity of, product samples means that a greater percentage of members will likely be matched with FMCG samples, and therefore more active in the community. An ancillary, yet valuable benefit of this network effect is the increased organic audience growth achieved through word-of-mouth and social media sharing by a larger member base.

3.5.5 Sizeable and growing social media following
PINCHme benefits from a highly engaged social media following of more than two million followers which continues to grow. The combined social media followers across Facebook, Instagram, YouTube and Twitter facilitate a number of key benefits, including driving member acquisition, building product awareness for campaigns and facilitating member participation in campaigns that benefits FMCG brands.

3.6 Privacy regulation and the collection and use of member data
The ability to collect and use the data provided by its members is a key component of PINCHme’s business model. The collection and use of personal and other data from community members is regulated by the terms of PINCHme’s Privacy Policy and its Terms of Service Agreement with members (both of which are easily accessible via the PINCHme website) as well as applicable laws and regulations. PINCHme takes its privacy obligations seriously, and aims to adopt a transparent approach with members regarding the collection and use of their information. The Company obtains the required consents from its members for the use of their data when they register with PINCHme, and where necessary, at later stages when they utilise PINCHme’s services.

PINCHme’s Privacy Policy sets out the types of personal information that are collected from members, and the circumstances and timing of such collection (both by PINCHme and third party providers such as Google Analytics). The Privacy Policy provides for PINCHme to use personal information for a range of purposes, including:

- to manage the provision of PINCHme’s services;
- to communicate with members regarding campaigns, promotions or events and to deliver product samples;
- to develop, customise and deliver PINCHme’s services, including product sample offerings;
- to administer promotions, contests and sweepstakes; and
- for internal purposes (such as data analysis and research).

---

8. As at 30 June 2018.
9. As at 30 June 2018. “Active members” are those members who have interacted with the PINCHme platform (whether via email or web browser) at least once every 90 days.
10. As at 30 June 2018.
The Privacy Policy prohibits the sharing of a member’s personal information with companies or individuals outside of PINCHme and its affiliates without that member’s further consent, except in certain specific circumstances that are described in the Privacy Policy, which include sharing information:

- with PINCHme’s service providers (such as web hosting, software maintenance and analytics providers);
- with PINCHme’s third party brand partners (for example, FMCG clients) for their own business purposes (including direct marketing), and where a member chooses to include personal information in any testimonials, ratings and reviews or product feedback etc relevant to that third party; and
- where a member voluntarily participates in a sweepstake, contest or other promotion through the PINCHme website, with sponsors and other third parties who assist PINCHme in using the shared content or other information provided.

Further, PINCHme is authorised to share aggregated information, or de-identified information, based on the information collected from members, with third parties or affiliates for any purpose.

PINCHme’s Privacy Policy also describes PINCHme’s ability to access personal information via social media platforms (where, for example, a member logs into the PINCHme website using Facebook) and how members can change or delete their personal information, limit or remove tracking technologies and opt-out from communications.

Any amendments or updates to the Terms of Service Agreement or the Privacy Policy are notified to members when they next log into the PINCHme website, and members are required to consent to the relevant amendments or updates in order to continue using PINCHme’s services. Members can contact PINCHme with queries regarding their personal data and privacy generally through a dedicated privacy email address. PINCHme also publicises any Terms of Service or Privacy Policy changes by sending emails to members to notify them of the new terms.

As PINCHme only operates in the US, its privacy obligations are governed primarily by the US Federal Trade Commission’s (FTC) broad authority pursuant to Section 5 of the FTC Act to take action against businesses that engage in certain “unfair or deceptive” trade practices. PINCHme is also subject to certain state data protection laws, for example, California’s current privacy laws and the recently passed California Consumer Privacy Act of 2018, which will come into effect January 2020. The FTC has traditionally used this authority to pursue business that engage in “unfair or deceptive” practices, such as violating consumer privacy policy promises, privacy practices that are contrary to consumer expectations, and failing to provide adequate data security.

### 3.7 Growth strategy

PINCHme has identified a number of growth opportunities, with specific strategies outlined below.

#### 3.7.1 New member acquisition

PINCHme intends using a significant portion of capital raised in the IPO in acquiring new members. Strategies that will be adopted include paid acquisition across PINCHme’s performance based advertiser networks and third party website partnerships, as well as increased use of paid blogger relationships. A larger network base drives benefits across the entire PINCHme ecosystem, including attracting higher volume campaigns from FMCG brands, distributing more samples to drive new members to the platform, motivating social media influencers with greater breadth of content, and driving greater organic member acquisition as additional members refer the community to friends and family.

#### 3.7.2 Further refining the technology platform

**Machine learning**

PINCHme is beginning to invest in actively developing and enhancing machine learning models which combine member-submitted data, member activity and engagement, and customer targeting to predict future behaviour. These predictive models can improve the quality of the product feedback and ratings and reviews left by PINCHme members on FMCG client samples by providing samples to members who have the highest likelihood to appreciate the product and ultimately purchase the product. By better meeting FMCG clients’ targeted campaign objectives, predictive modeling should drive further repeat business and improve the overall value of PINCHme’s services. Moreover, predictive models can also help improve audience monetisation rates and reduce the potential for member churn, as members will be more likely to see relevant performance-based advertising offers and QWIZme surveys tailored to their personal profile and preferences.
PINChme score

PINChme maintains a member specific rating that it calls a member’s “PINChme score”. The PINChme score is an aggregation of positive indicators of future member behaviour and engagement. The score is used for internal purposes and allows the Company to serve offers and samples to users who have historically exhibited behaviours that are most in line with campaign objectives, including submitting reviews to online websites and providing honest yet candid feedback to the FMCG brands. The PINChme score allows the Company to refine its ability to target consumers more efficiently in the future, which should benefit FMCG clients and ultimately, increase PINChme’s revenue.

Site optimisation and data-driven testing

PINChme maintains a full catalogue of potential optimisations to its website, which it is continually testing to generate better outcomes. Potential optimisations include tweaks to the look and feel of its website, adding or removing details and descriptions that simplify the user experience and algorithmic updates to member targeting. These tests have resulted in consistently improving member acquisition, user retention, and conversion rates, which has a direct and positive effect on revenues. Optimisation tests are deployed to small audience segments initially and, if they prove successful, they are slowly deployed to a larger base.

User engagement and gamification

The Company is engaging with psychology and neuroscience experts to design new loyalty programs into the PINChme member experience that will promote member engagement through “gamification” techniques. Some examples include rewarding members for actions tied to specific FMCG client goals. PINChme has a range of prizes that appeal to highly engaged members as well as more casual members, with communication tailored to each specific member’s profile and interests. These gamification techniques will be aimed at increasing member engagement by providing reasons to visit the PINChme website more regularly, increasing website traffic overall and providing member recognition for their participation within the community. Increased engagement by members will drive results for FMCG clients as well as provide an opportunity for more performance-based online advertising revenue.

3.7.3 Further monetisation strategies

Based on member data collected, PINChme has identified a number of key target industries outside of the existing category of FMCG brands that are potential buyers of PINChme services. PINChme will be increasingly targeting a new set of industries whose advertising and data needs could be serviced by PINChme and its member community, such as the healthcare sector. In addition, new audience monetisation streams are being tested that would apply to the existing client base as well as any new clients from other industries that are brought on board. These include, but not limited to, providing access to certain aspects of PINChme members’ data or member activity.

3.7.4 Acquisitions

PINChme may in the future consider acquisitions that have the potential to further the growth of its business. PINChme intends to only pursue acquisitions that are complementary to its existing business and strategies. For example, PINChme may consider acquisitions of:

- companies with other member databases that can quickly bolster the PINChme community with relevant member profiles; and
- companies with complementary advertising technologies, such as products similar to those which currently deliver third party hosted surveys on PINChme’s platform.
FINANCIAL INFORMATION
4.1 Introduction
The financial information of PINCHme contained in this section includes the following:

**Historical and Pro forma Historical Financial Information**
- Pro forma historical consolidated statements of operations and comprehensive loss for the years ended 31 December 2015 (FY2015), 31 December 2016 (FY2016) and 31 December 2017 (FY2017) together with a reconciliation to the audited historical statements of operations and comprehensive loss for the 3 years ended 31 December 2017;
- pro forma historical consolidated statement of cash flows for the years ended 31 December 2015, 31 December 2016 and 31 December 2017;
- audited historical consolidated balance sheet as at 31 December 2017; and
- pro forma historical consolidated balance sheet as at 31 December 2017;

together referred to as the **Historical Financial Information**.

**Forecast Financial Information**
- Pro forma and statutory forecast consolidated statement of operations and comprehensive loss for the year ending 31 December 2018 (FY2018) (Pro forma and Statutory Forecast Statements of Operations and Comprehensive Loss), and
- pro forma and statutory forecast consolidated statement of cash flows for the year ending 31 December 2018 (Pro forma and Statutory Forecast Statements of Cash Flows);
- together referred to as the “**Forecast Financial Information**”.

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

**Additional Information**
Also summarised in this section are:
- the basis of preparation and presentation of the Financial Information (Section 4.2);
- management discussion and analysis of the Historical and Forecast Financial Information (Section 4.15);
- key operating metrics of the Financial Information (Section 4.11)
- the Directors’ best estimate assumptions underlying the Forecast Financial Information (Section 4.16); and
- key sensitivities in respect of the Forecast Financial Information (Section 4.17).

All amounts disclosed in this section are presented in US dollars and, unless otherwise noted, are rounded to the nearest $’000.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information by the Investigating Accountant, whose Independent Limited Assurance Report on the Financial Information is contained in Section 8. Investors should note the scope and limitations of that report. The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this prospectus.

4.2 Basis of preparation of the Financial Information
The Financial Information included in this section has been prepared in accordance with the recognition and measurement principles prescribed by Generally Accepted Accounting Principles in the United States of America (USGAAP) which is different to Australian equivalents to International Financial Reporting Standards (AIFRS), the accounting principles generally accepted in Australia. A reconciliation of the main differences between USGAAP and AIFRS applicable to the Company which are relevant to potential investors are discussed in Section 4.18.

The significant accounting policies of the Company relevant to the Financial Information are set in Appendix A. The accounting policies of the Company have been consistently applied throughout the periods presented.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act 2001.

The Financial Information has been prepared for the purpose of the Offer.
4.3 Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared for inclusion in this Prospectus and has been derived from the audited historical consolidated financial statements of the Company for FY2015, FY2016 and FY2017 (the Historical Period). The historical financial statements of the Company for FY2015, FY2016 and FY2017 were audited by EisnerAmper LLP, independent registered public accounting firm. The audit opinion issued to the Directors for FY2015, FY2016 and FY2017 were unqualified but included an Emphasis of Matter regarding the Company’s ability to continue as a going concern. The Historical Financial Information presented in this Prospectus has been prepared on the basis the Company will continue as a going concern following the Offer and therefore no adjustments have been made to the Historical Financial Information on this basis.

The Historical Financial Information has been adjusted to be presented on a comparable basis to the Forecast Financial Information, and has been adjusted to include the impact of the following:

- the debt and equity structure following completion of the Offer;
- incremental costs of being a listed entity;
- eliminating certain non-operating or non-recurring items; and
- one-off costs incurred in relation to the Offer.

Section 4.8 sets out the pro forma adjustments made to the audited historical results.

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

4.4 Basis of preparation of the Forecast Financial Information

The pro forma forecast consolidated statement of operations and comprehensive loss and consolidated statement of cash flow have been derived from the statutory forecast consolidated statement of operations and comprehensive loss and statutory forecast statement of cash flows of the Company for FY2018 (the Forecast Period) after adjusting for the pro forma adjustments to reflect the Company’s operations following completion of the Offer as set out in Section 4.

The pro forma forecast statement of operations and comprehensive loss, which is set out in Section 4.7, differs from the statutory forecast statement of operations and comprehensive loss because the pro forma forecast reflects the full year effect of the operating, debt and equity structure that will be in place upon completion of the Offer. Refer to Section 4.8 for reconciliations between the statutory and pro forma Forecast Financial Information.

The Forecast Financial Information has been prepared by the Company based on an assessment of present economic and operating conditions and on a number of Directors’ best estimate assumptions regarding future events and actions as set out in Section 4.16. The Directors believe the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Presentation of the Directors’ best estimate assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on the PINCHme’s actual financial performance, cash flows or financial position.

Accordingly, neither the Company, the Directors, nor any other person can give investors any assurance that the outcomes discussed in relation to the Forecast Financial Information will arise. Investors are advised to review the Forecast Financial Information and the Directors’ best estimate assumptions set out in Section 4.15 and Section 4.16, in conjunction with the sensitivity analysis set out in Section 4.17 and other information set out in this Prospectus.

The Company has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.
4.5 New and revised accounting standards

The Financial Accounting Standards Board’s (FASB) in the United States has recently issued revised standards in relation to revenue recognition and leases. The revised revenue standard is effective for reporting periods commencing 1 January 2018 (ending 31 December 2018). PINCHme has evaluated the revised revenue recognition standard and the impact on the Historical Financial Information compared to the Forecast Financial Information (which has been prepared on the basis of the new revenue recognition standard) and has concluded that there will not be any material change to revenue recognition if the Historical Financial Information had been prepared adopting the revised revenue recognition standard. The revised leases standard will become effective for the reporting period commencing 1 January 2019 (ending 31 December 2019). The Forecast Financial Information does not consider the effect of the new lease standard as it is not yet effective in the forecast period. PINCHme is currently undertaking an assessment of the impact of implementation of this standard.

4.6 Explanation of Certain Non-USGAAP financial measures

Investors should also be aware that certain financial data included in this Section 4 is also “non USGAAP financial information”. The Company believes that this non-USGAAP financial information provides useful information to members in measuring the financial performance and conditions of the Company. As non-USGAAP measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which the Company calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-USGAAP financial information and ratios. In particular the following non-USGAAP financial data is included:

- Gross profit, which means the gross profit generated after direct costs related to packaging, postage and fulfilment of samples to members;
- Number of samples distributed, which means the number of individual product samples distributed to members by PINCHme as a result of a FMCG client campaign;
- Average database members, which refers to the average amount of individual members for a given time period;
- Database members at period end, which refers to the total amount of individual members on the PINCHme database at a given period end;
- EBITDA, which means earnings before interest, taxation depreciation and amortisation, and is expressed before and after research and development expenses;
- EBIT, which means earnings before interest and taxation; and
- LTM revenue, which means the trailing 12 months revenue.
### TABLE 4.1: PRO FORMA HISTORICAL AND FORECAST CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS AND THE STATUTORY FORECAST CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

<table>
<thead>
<tr>
<th>US$'000</th>
<th>Historical Period</th>
<th>Forecast Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>FY2015 Pro forma</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>5,948</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td></td>
<td>(3,625)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>2,323</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1</td>
<td>(5,371)</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td></td>
<td>(3,048)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share based payments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA after significant items</td>
<td></td>
<td>(3,048)</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>(200)</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td>(3,248)</td>
</tr>
<tr>
<td>Finance income/(costs)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net loss after finance (costs) /income and before tax</td>
<td></td>
<td>(3,248)</td>
</tr>
<tr>
<td>Income tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net loss after finance (costs) /income and after tax</td>
<td></td>
<td>(3,248)</td>
</tr>
</tbody>
</table>

**Notes:**
1. Included within operating expenses is franchise tax charged in New York which has been classified as an income tax expense in the statutory financial statements. As these expenses are not a tax on profits and are incurred through the operating cycle of the business these have been classified as an operating expense above.
4.8 Pro Forma Adjustments to the Statutory Consolidated Statement of Operations and Comprehensive Loss

Set out below is a reconciliation between the statutory historical and forecast consolidated net loss after tax, and to the pro forma historical and forecast consolidated net loss after tax:

**TABLE 4.2: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

<table>
<thead>
<tr>
<th>Historical Period</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Net Loss</td>
<td>$(4,546)</td>
<td>$(2,852)</td>
<td>$(2,882)</td>
<td>$(5,403)</td>
</tr>
<tr>
<td>Offer related fees expensed</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>128</td>
</tr>
<tr>
<td>Financial statement audit fees</td>
<td>2</td>
<td>$(50)</td>
<td>$(50)</td>
<td>50</td>
</tr>
<tr>
<td>Financial statement preparation</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>129</td>
</tr>
<tr>
<td>Incremental public company costs</td>
<td>4</td>
<td>$(550)</td>
<td>$(550)</td>
<td>$(550)</td>
</tr>
<tr>
<td>Equity Incentive Plan set up fees</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Offer related travel</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Finance costs</td>
<td>7</td>
<td>1,274</td>
<td>1,468</td>
<td>1,590</td>
</tr>
<tr>
<td>Equity Incentive Plan</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sale of Australian operations</td>
<td>9</td>
<td>624</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Pro forma Net Loss</td>
<td>$(3,248)</td>
<td>$(1,953)</td>
<td>$(1,635)</td>
<td>$(3,650)</td>
</tr>
</tbody>
</table>

Notes:
1. Offer related fees expensed: relating to non-recurring legal and investigating accounting costs expensed as a result of the Offer;
2. Financial statement audit fees: 3 years’ audit fees were incurred in FY2017 for the full Historical Period in readiness for the Offer. This expense has been spread across the Historical Period in accordance to when the expense is actually incurred;
3. Financial statement preparation: one off expenditure incurred in relation to the preparation of financial statements for the full 3-year Historical Period. This was incurred due to the Offer. PINCHme has adequate internal resources to not require this cost in the future;
4. Incremental public company costs: deduction of annual costs of $0.55 million of incremental costs which will be incurred as a consequence of being a publicly listed company (i.e. non-executive directors fees, professional fees, public relations, travel etc.). The FY2018 forecast assumes the Company is a listed company from September 2018 onwards, therefore the statutory FY2018 forecast includes only 4 months of incremental public company costs;
5. Equity Incentive Plan set up fees: one off costs incurred in relation to setting up the Equity Incentive Plan;
6. Offer related travel: travel expenses have been incurred in relation to travelling to Australia from the US due to the Offer;
7. Finance costs: have been adjusted to reflect the ongoing capital structure by excluding interest on the Convertible Notes, which are to be converted on Completion of the Offer;
8. Equity Incentive Plan: relating to the expense associated with the vesting conditions of the Equity Incentive Plan introduced in conjunction with the Offer; and
9. Sale of Australian operations: in March 2015 PINCHme divested the business and assets of the Australian operating subsidiary. Limited general expenses have been included in the consolidation for FY2016 and 2017 in relation to the Australian subsidiaries which will no longer be incurred.

4.9 Description of key financial terms

Set out below is a description of the key financial terms used in the presentation of the Financial Information.

1. **Revenue**: refers to revenue generated from FMCG clients through the distribution of product samples to PINCHme’s member database (sampling business), as well as the various audience monetisation revenue streams whereby PINCHme is remunerated for various access points to PINCHme’s member database from third parties. This includes through performance based online advertising and hosted surveys to its members;
2. **Cost of revenue**: refers to the cost associated with the sampling business, which include costs incurred for postage and fulfilment of FMCG client sample products to PINCHme’s members. PINCHme utilises third-party logistics providers and is charged a monthly flat management fee as well as all pack and delivery costs based on a standard rate card that aligns to USPS shipping rates;
3. **Gross profit**: is revenue less cost of revenue;

4. **Operating expenses**: refers to general Company overheads including employee costs, professional services, occupancy costs, marketing and travel and entertainment; and

5. **Depreciation**: refers to the depreciation of leasehold improvements, office furniture and office equipment and website development costs.

### 4.10 Segment information

Under USGAAP a segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), which is subject to risks and rewards that are different from those of other segments.

The Directors’ consider that the Company’s business segments for segment reporting purposes under USGAAP and in particular Accounting Standards Codification 280: “Segments Reporting” to be in relation to the sampling business and the audience monetisation business (including QWIZme).

### TABLE 4.3: REVENUE SEGMENT SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>Historical Period</th>
<th>Forecast Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2015</td>
<td>FY2016</td>
</tr>
<tr>
<td>Sampling revenues</td>
<td>4,873</td>
<td>7,555</td>
</tr>
<tr>
<td>Audience monetisation revenues</td>
<td>1,075</td>
<td>1,520</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>5,948</td>
<td>9,075</td>
</tr>
<tr>
<td><strong>Total gross margin</strong></td>
<td>2,324</td>
<td>4,881</td>
</tr>
<tr>
<td><strong>Total gross margin %</strong></td>
<td>39.1%</td>
<td>53.8%</td>
</tr>
</tbody>
</table>

### 4.11 Key operating metrics

### TABLE 4.4: KEY PRO FORMA REVENUE METRICS

<table>
<thead>
<tr>
<th></th>
<th>Historical Period</th>
<th>Forecast Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2015</td>
<td>FY2016</td>
</tr>
<tr>
<td>Revenue growth %</td>
<td>n/a</td>
<td>52.6%</td>
</tr>
<tr>
<td>Number of samples distributed</td>
<td>5,216,262</td>
<td>4,621,690</td>
</tr>
<tr>
<td>Database members (average)</td>
<td>1,439,678</td>
<td>2,195,789</td>
</tr>
<tr>
<td>Database members (at period end)</td>
<td>1,763,500</td>
<td>2,553,134</td>
</tr>
</tbody>
</table>

### 4.12 Historical Audited and Pro Forma Consolidated Balance Sheet

The table below has been extracted from the audited historical consolidated balance sheet of the Company as at 31 December 2017, the pro forma adjustments that have been made to the audited consolidated balance sheet (further described in Section 4.13) and the pro forma consolidated balance sheet as at 31 December 2017. An unaudited convenience translation in Australian Dollars of the pro forma consolidated balance sheet at 31 December 2017 has also been included (the indicative foreign exchange rate applied is A$1.00 = US$0.72).

The pro forma consolidated balance sheet is provided for illustrative purposes and is not represented as being necessarily indicative of the Company’s view on its future financial position.
TABLE 4.5: AUDITED AND PRO FORMA CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>Audited at 31 December 2017 US$’000</th>
<th>Impact of the Offer US $’000</th>
<th>Pro Forma at 31 December 2017 US$’000</th>
<th>Pro Forma at 31 December 2017 AU$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4.13.1</td>
<td>368</td>
<td>5,314</td>
<td>5,682</td>
<td>7,891</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>1,086</td>
<td>-</td>
<td>1,086</td>
<td>1,509</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td>131</td>
<td>-</td>
<td>131</td>
<td>182</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>76</td>
<td>-</td>
<td>76</td>
<td>106</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td></td>
<td>1,661</td>
<td>5,314</td>
<td>6,975</td>
<td>9,688</td>
</tr>
<tr>
<td>NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td></td>
<td>107</td>
<td>-</td>
<td>107</td>
<td>148</td>
</tr>
<tr>
<td>Intangibles</td>
<td></td>
<td>122</td>
<td>-</td>
<td>122</td>
<td>170</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td>50</td>
<td>-</td>
<td>50</td>
<td>69</td>
</tr>
<tr>
<td>Deposits</td>
<td></td>
<td>65</td>
<td>-</td>
<td>65</td>
<td>90</td>
</tr>
<tr>
<td>TOTAL NON CURRENT ASSETS</td>
<td></td>
<td>344</td>
<td>-</td>
<td>344</td>
<td>477</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>2,005</td>
<td>5,314</td>
<td>7,319</td>
<td>10,165</td>
</tr>
</tbody>
</table>

| LIABILITIES | | | | | |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | | 1,134 | (128) | 1,006 | 1,397 |
| Accrued expenses | | 171 | - | 171 | 239 |
| Deferred income | | 444 | - | 444 | 617 |
| Convertible Notes (inclusive of derivative liability) | | 22,849 | (22,849) | - | - |
| Shareholder Loans | | 580 | (450) | 130 | 181 |
| TOTAL CURRENT LIABILITIES | | 25,178 | (23,427) | 1,751 | 2,434 |
| TOTAL NON CURRENT LIABILITIES | | - | - | - | - |
| TOTAL LIABILITIES | | 25,178 | (23,427) | 1,751 | 2,434 |
| NET ASSETS | | (23,173) | 28,741 | 5,568 | 7,731 |

| EQUITY | | | | | |
| Common shares and additional paid in capital | 4.13.2 | 4,877 | 30,113 | 34,990 | 48,596 |
| Accumulated deficit | 4.13.2 | (28,243) | (1,372) | (29,615) | (41,133) |
| Accumulated other comprehensive loss | | 193 | - | 193 | 268 |
| TOTAL EQUITY | | (23,173) | 28,741 | 5,568 | 7,731 |
| TOTAL SHAREHOLDER EQUITY AND LIABILITIES | | 2,005 | 5,314 | 7,319 | 10,165 |
4.13 Pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before Completion of the Offer, referred to as the Pro forma Adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2017 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 31 December 2017 and the date of this Prospectus which the Directors consider require disclosure.

Pro forma transactions:

1. the receipt of proceeds from the issue of Convertible Notes which had not been received as at 31 December 2017 amounting to US$1.4 million;
2. the recognition of the finance costs associated with all of the Convertible Notes on issue from 1 January 2018 up to Completion of the Offer;
3. the repayment of a Shareholder Loan in full in May 2018 for an amount of US$0.45 million. A remaining Shareholder Loan of US$0.13 million will be repaid in full after Completion of the Offer;
4. the conversion of principal and accrued interest outstanding on the Convertible Notes into 69,400,015 CDI's (representing 195,493 Shares);
5. the Completion of the Offer, raising approximately AUD$8.0 million (or US$5.8 million) and involving the issue of 15,999,850 CDI's (representing 45,070 Shares); and
6. costs in relation to the Offer of US$1.4 million. US$1.3 million will be capitalised whilst the remaining US$0.1 million has been expensed in FY2017. This amount has been accrued for and unpaid in the audited balance sheet as at 31 December 2017.

4.13.1 Pro forma cash and cash equivalents

TABLE 4.6: AUDITED AND PRO FORMA CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2017

<table>
<thead>
<tr>
<th>Pro forma transactions</th>
<th>Pro forma adjustment</th>
<th>Pro Forma US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited cash and cash equivalents at 31 December 2017</td>
<td>368</td>
<td></td>
</tr>
<tr>
<td>Pre-IPO Convertible Notes received after 31 December 2017</td>
<td>1</td>
<td>1,449</td>
</tr>
<tr>
<td>Repayment of Shareholder Loans</td>
<td>3</td>
<td>(450)</td>
</tr>
<tr>
<td>Proceeds of the Offer</td>
<td>5</td>
<td>5,760</td>
</tr>
<tr>
<td>Costs in relation to the Offer paid in cash</td>
<td>6</td>
<td>(1,445)</td>
</tr>
<tr>
<td><strong>Pro forma cash and cash equivalents</strong></td>
<td><strong>5,682</strong></td>
<td></td>
</tr>
</tbody>
</table>

PINCHme expects that it will have sufficient cash to fund its operational requirements and business objectives following the Offer.
### 4.13.2 Pro forma capital structure summary

**TABLE 4.7: PRO FORMA CAPITAL STRUCTURE**

<table>
<thead>
<tr>
<th>Pro forma adjustment</th>
<th>No. of shares</th>
<th>Equivalent No. of CDIs (355:1)</th>
<th>Common Stock and Additional Paid In Capital US $’000</th>
<th>Accumulated deficit US $’000</th>
<th>Accumulated other comprehensive loss US $’000</th>
<th>Net assets US $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited at 31 December 2017</td>
<td>89,273</td>
<td>31,691,915</td>
<td>4,877</td>
<td>(28,243)</td>
<td>193</td>
<td>(23,173)</td>
</tr>
<tr>
<td><strong>Subsequent events</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrual of interest on Convertible Notes</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>1,194</td>
<td>(1,629)</td>
<td>-</td>
</tr>
<tr>
<td>Conversion of accrued interest and Convertible Notes</td>
<td>4</td>
<td>195,493</td>
<td>69,400,015</td>
<td>24,475</td>
<td>257</td>
<td>-</td>
</tr>
<tr>
<td><strong>Pre Offer capital structure</strong></td>
<td>284,766</td>
<td>101,091,930</td>
<td>30,546</td>
<td>(29,615)</td>
<td>193</td>
<td>1,124</td>
</tr>
<tr>
<td><strong>Pro forma transactions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offer</td>
<td>5</td>
<td>45,070</td>
<td>15,999,850</td>
<td>5,760</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Offer costs</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>(1,316)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>329,836</td>
<td>117,091,780</td>
<td>34,990</td>
<td>(29,615)</td>
<td>193</td>
<td>5,568</td>
</tr>
</tbody>
</table>
### 4.14 Pro Forma Historical and Forecast Cash Flows and the Statutory Cash Flows

Set out in the table below is a summary of the Company’s pro forma historical cash flows statements for FY2015, FY2016 and FY2017, and the Pro Forma Forecast and Statutory Forecast Cash Flows Statements for FY2018.

**TABLE 4.8: PRO FORMA HISTORICAL AND FORECAST CASH FLOWS, AND THE STATUTORY FORECAST CASH FLOWS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December year end</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating EBITDA before significant items</td>
<td>(3,048)</td>
<td>(1,382)</td>
<td>(1,537)</td>
<td>(3,574)</td>
<td>(3,437)</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>594</td>
<td>(111)</td>
<td>70</td>
<td>1,232</td>
<td>1,232</td>
</tr>
<tr>
<td>Change in other assets and liabilities</td>
<td>1,538</td>
<td>(844)</td>
<td>(1,334)</td>
<td>(330)</td>
<td>(330)</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>(916)</td>
<td>(2,337)</td>
<td>(2,801)</td>
<td>(2,672)</td>
<td>(2,535)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of PP&amp;E</td>
<td>(26)</td>
<td>(14)</td>
<td>(16)</td>
<td>(60)</td>
<td>(60)</td>
</tr>
<tr>
<td>Investments in intangible</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other investments</td>
<td>-</td>
<td>(50)</td>
<td>-</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Investing cash flow</strong></td>
<td>(26)</td>
<td>(64)</td>
<td>(56)</td>
<td>(61)</td>
<td>(61)</td>
</tr>
<tr>
<td><strong>Net free cash flow before financing, tax and dividends</strong></td>
<td>(942)</td>
<td>(2,401)</td>
<td>(2,857)</td>
<td>(2,733)</td>
<td>(2,596)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the issue of Convertible Notes</td>
<td>1,449</td>
<td>1,449</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments of other loans</td>
<td>(580)</td>
<td>(580)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the Offer</td>
<td>5,760</td>
<td>5,760</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of Offer costs</td>
<td>(1,445)</td>
<td>(1,445)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financing cash flows</strong></td>
<td>5,184</td>
<td>5,184</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>2,451</td>
<td>2,588</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TABLE 4.9: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL CASH FLOWS AND THE STATUTORY FORECAST CASH FLOWS

<table>
<thead>
<tr>
<th>$’000</th>
<th>Notes</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory net free cash flows before financing, tax and dividends</strong></td>
<td></td>
<td>(159)</td>
<td>(1,833)</td>
<td>(2,514)</td>
<td>(2,596)</td>
</tr>
<tr>
<td>Offer related fees expensed</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>128</td>
<td>-</td>
</tr>
<tr>
<td>Financial statement audit fees</td>
<td>2</td>
<td>(50)</td>
<td>(50)</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>Financial statement preparation</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>129</td>
</tr>
<tr>
<td>Incremental public company costs</td>
<td>4</td>
<td>(550)</td>
<td>(550)</td>
<td>(550)</td>
<td>(366)</td>
</tr>
<tr>
<td>Equity Incentive Plan set up fees</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Offer related travel</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Sale of Australian operations</td>
<td>7</td>
<td>360</td>
<td>32</td>
<td>29</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sale of Australian business</td>
<td>8</td>
<td>(543)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Pro forma net free cash flows before financing, tax and dividends</strong></td>
<td></td>
<td>(942)</td>
<td>(2,401)</td>
<td>(2,857)</td>
<td>(2,733)</td>
</tr>
</tbody>
</table>

Notes:
1. Offer related fees expensed: relating to non-recurring legal and investigating accountant costs expensed as a result of the Offer;
2. Financial statement audit fees: 3 years’ of audit fees were incurred in FY17 for the full Historical Period in readiness for the Offer. This expense has been spread across the Historical Period in accordance with when the expense is actually incurred;
3. Financial statement preparation: one off expenditure incurred in relation to the preparation of financial statements for the full 3-year period. This was incurred due to the Offer. PINCHme has adequate internal resources to not require this cost in the future;
4. Incremental public company costs: deduction of annual costs of $0.55 million of incremental costs which will be incurred as a consequence of being a publicly listed company (i.e. non-executive directors fees, professional fees, public relations, travel etc.). The FY2018 forecast assumes the Company is a listed company from September 2018 onwards therefore the statutory FY2018 forecast includes only 4 months of incremental public company costs;
5. Equity Incentive Plan set up fees: one off costs incurred in relation to setting up the Equity Incentive Plan;
6. Offer related travel: travel expenses have been incurred in relation to travelling to Australia from the US due to the Offer;
7. Sale of Australian operations: In March 2015, PINCHme divested the business and assets of the Australian operating subsidiary. Limited general expenses have been included in the consolidation for FY2016 and FY2017 in relation to the Australian subsidiaries which will no longer be incurred. All cash flow movements in relation to the Australian business have been removed; and
8. Proceeds from sale of business: removal of the one-off cash injection received as proceeds from the divestment of the Australian operations.

4.14.1 Operating cash flows

PINCHme has historically operated at a negative operating cash flow position as a result of the operating losses incurred. Movements in other assets and liabilities have varied over the Historical Period as a result of the timing of the FMCG client campaigns which have been impacted by when the upfront payment was received from the FMCG client to cover logistics costs. Working capital movements have largely arisen in the Historical Period as a result of the movement in trade payables, specifically in relation to trading terms with PINCHme’s third party logistics suppliers.

The forecast operating cash flow deficit is largely a result of the forecast operating EBITDA loss, which is a function of the forecast increase in employee costs and marketing spend in FY2018. Movements in other assets, liabilities and working capital is a result of the forecast increase in sampling campaigns, with a larger number of campaigns confirmed and in the pipeline in FY2018F, with PINCHme expected to receive upfront payments as a result consistent with the Historical Period.

4.14.2 Investing cash flows

PINCHme has made minimal investment in fixed assets and intangibles. Investment in PP&E mostly comprises of office equipment as a result of the increased headcount.
4.14.3 Financing cash flows
FY2018F financing cash flows relate to the receipt of US$1.5 million of proceeds from the issue of Convertible Notes raise which had not been received as at 31 December 2017, proceeds from the Offer of US$5.8 million as well as costs of the Offer of US$1.4 million.

4.15 Management discussion and analysis of the Pro Forma Historical and Pro Forma Forecast Consolidated Financial Information
Section 4.16 discusses details of key metrics relating to PINCHme's historical and forecast consolidated financial performance between FY2015 and FY2018F.

4.16 Directors’ best estimate assumptions underlying the Forecast Financial Information
The Forecast Financial Information is based on various Directors’ best estimate assumptions, of which the main general and specific assumptions are summarised below. These assumptions do not represent all factors that will affect the Company’s forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. It should be read in conjunction with the basis of preparation of the Forecast Financial Information set out in Section 4.2, the general and specific assumptions set out below and the risk factors set out in Section 5.

4.16.1 General assumptions
In preparing the Forecast Financial Information, the following general Directors’ best estimate assumptions have been adopted:

• no material change in the competitive operating environment in which the Company operates;
• no significant deviation from current market expectations in the geographies in which the Company operates and the economic conditions relevant to the Company;
• no material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance or cash flows, financial position, accounting policies, or licensing requirements of the Company;
• no material changes in key personnel and the Company maintains its ability to recruit and retain the personnel required to support future growth;
• no material changes in applicable USGAAP or other mandatory professional reporting requirements which have a material effect on the Company’s financial performance, financial position, accounting policies, financial reporting or disclosure during the Forecast Period;
• no material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of the Company;
• no material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus;
• no material changes to the Company’s corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
• no material disruptions to the continuity of operations of the Company nor other material changes in its business activities;
• no material amendment to or termination of any material agreement, contract or arrangement other than set out in, or contemplated by, this Prospectus;
• none of the risks listed in Section 5 eventuate, or if they do, none of them has a material adverse impact on the operations of the Company; and
• the Offer proceeds in accordance with the timetable set out on page 3 of this Prospectus.
4.16.2 Discussion of key historical and forecast metrics

The following information has been prepared using PINCHme’s Pro Forma Historical Financial Information for FY2015, FY2016 and FY2017 and Pro Forma Forecast Financial Information for FY2018 (which includes the unaudited actual results for the six months ended 30 June 2018).

Revenue

**FIGURE 4.1: ANNUAL REVENUE BY SEGMENT**

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampling</td>
<td>82%</td>
<td>83%</td>
<td>78%</td>
<td>56%</td>
</tr>
<tr>
<td>Audience monetisation</td>
<td>18%</td>
<td>17%</td>
<td>22%</td>
<td>44%</td>
</tr>
</tbody>
</table>

**Sampling revenue**

Historically PINCHme’s revenue profile has been comprised of sampling revenues generated from FMCG client campaigns. Revenues increased in FY2016 mostly as a result of the increase in revenue charged per sample. This was a strategic objective undertaken by Management to yield greater margins on the sampling business. This resulted in a decrease in the number of samples distributed from 5,216,262 to 4,621,690 but an increase in the revenue charged per sample. This increase in the average revenue per sample saw sampling revenues in FY2016 increase by $4.9 million to $7.6 million. This pricing policy continued into FY2017 which saw the number of samples distributed again reduce to 3,680,550 whilst the average revenue per sample remained consistent with FY2016. The reduction in the number of samples distributed saw FY2017’s sampling revenue decrease to $6.2 million.

FY2018 sampling revenues has seen a change in strategy applied by PINCHme as the member database has exceeded 4 million. The sampling revenue business is seen as a lead generator for the more profitable audience monetisation business. This has led to PINCHme reducing its pricing in relation to FMCG client campaigns. This is expected to result in forecast samples distributed increasing to 6,599,952 at a lower average revenue per sample, resulting in forecast sampling revenues decreasing further to $5.9 million.

The relationships between the number of samples distributed and the average revenue per sample has been depicted in Figure 4.2.
Audience monetisation revenue

Between FY2015 and FY2017, all audience monetisation revenue was incurred through performance based online advertising, whereby PINCHme sources relevant digital offers from intermediary affiliate advertising networks as well as directly from the end advertisers themselves. Those parties pay PINCHme on a performance basis for each lead or sale generated by PINCHme members from one of their advertising offers. Payments are typically on a cost-per-action basis, where a paid action by a PINCHme member could include them signing up for an email newsletter, subscribing to a trial of a product, or making a purchase on a particular website (refer to Section 3.3.2 for further discussion).

Audience monetisation revenue streams use PINCHme’s database of members and data collected to generate revenues for the Company. Generally, the audience monetisation revenue streams are correlated to the size of the database as well as the engagement of the database (active members). These active members will create action items on which would lead to revenue being generated by PINCHme for each actionable item.

FIGURE 4.3: HISTORICAL AND FORECAST AUDIENCE MONETISATION REVENUE AND DATABASE MEMBERS
Historical audience monetisation revenue has increased from $1.1 million FY2015 to $1.7 million in FY2017. In FY2018F total audience monetisation revenue is forecast to increase to $4.5 million.

QWIZme, which was introduced in February 2018, as an alternative form of audience monetisation revenue, has generated $0.4 million in the first 6 months to June 2018, with $0.1 million generated in June 2018.

The forecast assumes a growth rate consistent with what has been achieved in the first 6 months to 30 June 2018 up to September 2018 across all audience monetisation revenue streams. There is an expected increase across all the revenue monetisation streams between September 2018 and December 2018 as a result of the expected uplift in the database size due to the proceeds from the Offer being partially utilised to acquire new members (refer below and to the Use of Funds in Section 7.4 for further information).

**Costs of revenue and gross profit**

Costs of revenue primarily relate to the packaging and shipping of PINCHme sample boxes, with minimal direct costs incurred in relation to the audience monetisation revenue streams. Costs of revenue have been forecast to be higher when compared to the historical levels in relation to the sampling business as a result of the decrease in the average revenue per sample.

Gross margin is forecast to increase in quarter four of FY2018F due to the higher forecast proportion of audience monetisation revenue, which generates a higher margin.

**FIGURE 4.4: HISTORICAL AND FORECAST REVENUE AND GROSS MARGIN SUMMARY**
### Operating expenses

#### TABLE 4.10: HISTORICAL AND FORECAST OPERATING EXPENSES

<table>
<thead>
<tr>
<th>US$’000 December year end</th>
<th>Historical Period</th>
<th>Forecast Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2015 Pro forma</td>
<td>FY2016 Pro forma</td>
</tr>
<tr>
<td>Employment costs</td>
<td>3,001</td>
<td>3,525</td>
</tr>
<tr>
<td>Marketing</td>
<td>200</td>
<td>439</td>
</tr>
<tr>
<td>Website hosting</td>
<td>277</td>
<td>353</td>
</tr>
<tr>
<td>Professional fees</td>
<td>493</td>
<td>464</td>
</tr>
<tr>
<td>Travel &amp; entertainment</td>
<td>363</td>
<td>347</td>
</tr>
<tr>
<td>Office/software</td>
<td>285</td>
<td>379</td>
</tr>
<tr>
<td>Public company costs</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Rent</td>
<td>202</td>
<td>206</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>5,371</strong></td>
<td><strong>6,263</strong></td>
</tr>
</tbody>
</table>

| Fixed costs (% of total operating expenses) | 81% | 81% | 79% | 69% |
| Variable costs (% of total operating expenses) | 19% | 19% | 21% | 31% |

The largest component of operating expenses relates to employee costs, which account for over 50% of the operating cost base. PINCHme has invested throughout FY2018 in its own human resources to build the capability of management, IT, marketing and sales, which will support future growth initiatives.

Marketing expenditure is forecast to increase by $0.8 million in FY2018, which is primarily in relation to forecast member acquisition costs. PINCHme’s database has historically increased primarily organically, with limited investment in member acquisition. The proceeds of the Offer will partly be used in various member acquisition activities to increase the database size. As database growth is measured as a whole (organic and inorganic together), a hybrid customer acquisition cost (CAC) is monitored. The hybrid CAC has been forecast higher than historic levels due to the inherent risk in acquiring members in the database when PINCHme has historically relied on organic growth.

All other aspects of the operating cost base are consistent with historical levels and are largely fixed.
4.16.3 FY2018 actual versus forecast statutory performance

The table below summarises the unaudited first half actual statutory financial performance and the forecast second half statutory performance to illustrate the mix of earnings to an operating EBITDA level between the two halves and to demonstrate where the majority of the revenue is expected to be generated. The first half actual statutory performance has been extracted from the monthly consolidated unaudited management accounts.

| TABLE 4.11: FY2018 STATUTORY FINANCIAL PERFORMANCE |
|---------------------------------|-----------------|-----------------|-----------------|
| US$’000                      | Actual           | Forecast         | FY2018F         |
|                              | Unaudited       | 1HY2018         | 2HY2018         |                  |
| Revenue                      | 4,163            | 6,243           | 10,406          |                  |
| Cost of revenue              | (1,730)          | (2,677)         | (4,407)         |                  |
| Gross profit                 | 2,433            | 3,566           | 5,999           |                  |
| Operating expenses           | (4,405)          | (5,031)         | (9,436)         |                  |
| Operating EBITDA             | (1,972)          | (1,465)         | (3,437)         |                  |

4.17 Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions as described in Section 4.16. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Directors and Management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the sensitivity of the FY2018 Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full year impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that the Company’s management would respond to any changes to seek to minimise the net effect on the Company’s revenue, EBITDA and cash flow.

For the purposes of the analysis below, the effect of the changes in key assumptions is based on the FY2018 pro forma forecast operating EBITDA of ($3.6) million and revenue of $10.4 million. Given the FY2018 forecast is representative of actual results from January to June 2018, the sensitivities have only been applied to the 2HY2018 period.
### TABLE 4.12: SENSITIVITY ANALYSIS ON THE PRO FORMA FORECAST FY2018 EBITDA SUMMARY

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Operating EBITDA</th>
<th>FY2018 operating EBITDA impact $'000</th>
<th>Adjusted operating EBITDA</th>
<th>Revenue</th>
<th>FY2018 revenue impact $'000</th>
<th>Adjusted revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1HY18 sampling revenue annualised for FY2018</td>
<td>(3,574)</td>
<td>(349)</td>
<td>(3,923)</td>
<td>10,406</td>
<td>(1,200)</td>
<td>9,206</td>
</tr>
<tr>
<td>1HY18 audience monetisation revenue annualised for FY2018</td>
<td>(3,574)</td>
<td>(992)</td>
<td>(4,566)</td>
<td>10,406</td>
<td>(992)</td>
<td>9,414</td>
</tr>
<tr>
<td>Database growth consistent with 1HY18</td>
<td>(3,574)</td>
<td>(150)</td>
<td>(3,724)</td>
<td>10,406</td>
<td>(150)</td>
<td>10,256</td>
</tr>
<tr>
<td>20% favourable movement in member acquisition costs</td>
<td>(3,574)</td>
<td>101</td>
<td>(3,473)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
<tr>
<td>20% unfavourable movement in member acquisition costs</td>
<td>(3,574)</td>
<td>(101)</td>
<td>(3,675)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
<tr>
<td>15% favourable movement in costs of revenue</td>
<td>(3,574)</td>
<td>402</td>
<td>(3,172)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
<tr>
<td>15% unfavourable movement in costs of revenue</td>
<td>(3,574)</td>
<td>(402)</td>
<td>(3,976)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
<tr>
<td>10% favourable movement in operating expenses</td>
<td>(3,574)</td>
<td>517</td>
<td>(3,057)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
<tr>
<td>10% unfavourable movement in operating expenses</td>
<td>(3,574)</td>
<td>(517)</td>
<td>(4,091)</td>
<td>10,406</td>
<td>-</td>
<td>10,406</td>
</tr>
</tbody>
</table>
4.18 Reconciliation between USGAAP and AIFRS

The Financial Information contained in this Prospectus has been prepared in accordance with USGAAP which is different to Australian equivalents to International Financial Reporting Standards (AIFRS), the accounting principles generally accepted in Australia. The Company will only be required to lodge USGAAP financials with ASIC as a foreign company in the future and the ASX has confirmed that the Company may solely report in USGAAP once listed on the ASX (and the audit of those financial reports will be conducted in accordance with US auditing standards). Future financial information of the Company will not be prepared under AIFRS.

The Directors have reviewed the differences between USGAAP and AIFRS applicable to the Company and also which are considered relevant to potential investors. Accordingly, although historically the recognition and measurement of the Convertible Notes and Derivative Liability would have been different under AIFRS compared to USGAAP, as these instruments all convert to Shares on listing the Directors do not consider these differences relevant to potential investors under the Offer.

Therefore, the Directors have identified the following material difference relevant to potential investors under the Offer relating to the Statutory Consolidated Statement of Operations and Comprehensive Loss for FY2015, FY2016, FY2017 and FY2018F.

**Costs of the Offer**

Under USGAAP, costs incurred in issuing Shares and listing the Company on the ASX are classified as a reduction of equity (or as an asset until the Shares are issued). Under AIFRS, only those costs of the Offer directly attributable to additional issued Shares or CDIs under the Offer can be offset against equity. Expenses relating to listing the Company for the benefit of existing security holders are required to be expensed and costs relating to all security holders are split between equity and expenses based on the proportion of security holding (on a fully diluted basis) of new and existing security holders. Accordingly, if the Directors had prepared the pro forma balance sheet in Section 4.12 in accordance with AIFRS, approximately a further $0.7 million of the estimated approximately $1.4 million of Offer costs would be treated as an expense through the statement of operations rather than offset against stockholders equity.

Set out below is a reconciliation between the statutory historical and forecast net loss after tax under USGAAP compared to statutory historical and forecast net loss after tax under AIFRS for the each of the Financial Periods:

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2015</td>
<td>FY2016</td>
</tr>
<tr>
<td><strong>Statutory Net Loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- USGAAP</td>
<td>(4,546)</td>
<td>(2,852)</td>
</tr>
<tr>
<td>Offer costs expensed</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Statutory Net Loss</strong></td>
<td>(4,546)</td>
<td>(2,852)</td>
</tr>
</tbody>
</table>

4.19 Foreign currency policy

The Company invoices customers in US Dollars and also pays suppliers in US Dollars with operating expenses also denominated in US Dollars and consequently the Company is not directly exposed to foreign currency movements. In the future the only costs which will be incurred in currencies other than US Dollars will be public company costs incurred in Australia.
SECTION 5.

RISK FACTORS
5.1 Introduction

The Company is subject to various risk factors. Some of these are specific to PINCHme’s business activities, while others are of a general nature. Individually, or in combination, these risk factors could have a material adverse impact on PINCHme’s assets and liabilities, financial position and performance, profits and losses and prospects, and the value of the CDIs.

The principal risk factors are described below.

The risks set out in this Section 5 are not an exhaustive list of the risks associated with PINCHme or the industry in which it operates, or an investment in the CDIs either now or in the future, and this information should be used as guidance only and read in conjunction with all other information presented in this Prospectus.

Investors should consider that an investment in the Company is highly speculative. The Directors strongly recommend that potential investors consider these risk factors, together with other information contained in this Prospectus and consult their professional advisers before deciding whether to apply for CDIs. There can be no guarantee that PINCHme will achieve its stated objectives or that any Forward looking statement or forecasts will eventuate.

5.2 Specific risks

5.2.1 Limited trading history

The Company is essentially a start-up company with limited trading history. Since incorporating in 2012, PINCHme’s activities have principally involved raising money to develop its software, products and services. Like many start-up companies, the Company has incurred losses since its inception. The cumulative losses up to 31 December 2017 are approximately A$31.3 million. Given the Company’s limited trading history, it is difficult to make an evaluation of Company’s business or its prospects and there is significant risk that the Company is not able to continue its growth at current rate, if at all.

A large portion of the Company’s revenue growth will be derived from audience monetisation strategies, such as performance-based online advertising as well as QWIZme surveys. These revenue streams have only been generating revenue for a short period and are untested. As such, there is a risk that these revenue streams will be unsuccessful and may not provide the growth anticipated, or at all.

5.2.2 Attracting members, FMCG clients and other businesses

The Company’s operations and revenues will be affected by its ability to attract and retain members to the PINCHme platform, and FMCG clients and other businesses to use PINCHme’s services. Various factors can affect the level of adoption of its services, including:

i. ineffective marketing and promotion efforts by the Company may result in less adoption of its services by both members and clients. The Company may be required to incur significant cost in its marketing and promotion efforts.

ii. if the Company suffers from reputational damage, adoption of its services may be affected.

iii. a failure to deliver real or perceived value to members, FMCG clients and/or other businesses may lead to minimal or declining adoption of the Company’s platform and services. Poor adoption of the Company’s platform and services may in turn may affect the Company’s revenues.

If the Company is not able to attract or retain members to the PINCHme platform, there is a risk that FMCG clients and other businesses will not continue to use the Company’s services or will choose to use the services of third parties. This is likely to have a materially adverse effect on the Company’s business, financial position, results of operations, cash flows and prospects.

5.2.3 Insufficient products to meet demand

The Company’s sampling business is heavily reliant on the quality and attractiveness of the samples being provided to members. It is also reliant on sourcing sufficient samples to allow for cost effective distribution. If the Company is no longer able to source attractive products from clients or is not able to source sufficient products, including to meet members’ demand, the Company’s business and prospects will be adversely impacted. If the Company is consistently unable to source sufficient samples to meet member demand, it is likely to lead to some member dissatisfaction and reputational damage, which may lead to a loss of members.
5.2.4 Timing of FMCG client sampling campaigns and impact on financial results

The timing of sampling campaigns can affect the Company’s financial results in any given financial reporting period (such as a full year or half-year). Sampling revenues are largely recognised on the despatch of sampling products to members. The timing of the despatch of product is determined by the requirements of the FMCG client, which is outside the control of PINCHme and may be difficult to predict.

Whether a particular campaign is completed by the end of one financial year (or a quarter or half year end) or is completed early in the following financial period could materially affect financial performance in any given reporting period and relatively between financial years.

For example, if a specific FMCG client campaign is anticipated to run (with all product despatched) in one financial year, but the campaign is pushed back to the following financial year (at the discretion of the FMCG client), significant revenues may not be generated when expected. PINCHme has no control on timing of FMCG client campaigns.

There is further discussion and analysis on the Forecast Financial Information in Section 4.7.

5.2.5 Ability and cost to acquire new members

As described in Section 3.7.1, the proceeds of the Offer will be partly used to acquire new members. The Company expects that its “blended member acquisition price” will increase by approximately fifty percent during the full FY2018 forecast period compared to the first two quarters of FY2018, as it ramps up the amount it spends to acquire new members. The “blended member acquisition price” is the average price the Company pays for each new member that signs up to the Company’s platform, taking into account both new members that it pays a fee for (through the various sources described in Section 3.7.1), as well as members that join PINCHme organically for which it does not have to pay a fee (such as through word of mouth referrals by existing members or hearing about PINCHme on social media).

The number of acquired members and the blended member acquisition price are key components of the Company’s future financial performance, including its FY2018 forecast. If the Company cannot acquire as many new members as it anticipates, or the cost to acquire new members is higher than the Company expects, then it may not have sufficient members to meet the demand from its FMCG or performance-based online advertising clients, which will result in the Company’s revenue being adversely impacted. This could materially affect the financial performance of PINCHme, including when compared to the FY2018 forecast.

5.2.6 Engagement of acquired members

As described in Section 3.7.1, the proceeds of the Offer will be partly used for member acquisition purposes. The Company expects that the engagement of Company’s newly acquired members will be in line with historical engagement levels of its current members, even though the member database has mostly been grown organically to date. The engagement level of the acquired members is a key component of the Company’s future financial performance, including its FY2018 forecast.

If the acquired member database is not as active as the existing member database, both the sampling business and the various audience monetisation revenue streams could be adversely impacted. This would materially affect the financial performance of PINCHme, including when compared to the FY2018 forecast. Member engagement will largely depend on having sufficient products to meet demand (see Risk 5.2.3), as well as other factors.

There is further discussion and analysis on the Forecast Financial Information in Section 4.7.

5.2.7 Disruption or failure of technology systems

The Company relies upon the availability, performance and reliability of its web applications, data centres and other technology platforms (including servers, the internet, hosting services and the cloud environment in which the Company provides products and services) including, for example, Amazon Web Services. There is a risk that the Company may be adversely affected by withdrawal, disruption, failure, service outages or data corruption that could occur as a result of breach of contract, computer viruses, “bugs” or “worms”, malware, internal or external misuse by websites, cyber attacks or other disruptions including natural disasters, power outages or other similar events.

Some of these events are outside of the Company’s control, and may lead to prolonged disruption to the Company’s IT platform, or operational or business delays and damage to the Company’s reputation. This could potentially lead to a loss of members or clients, legal claims by clients, and an inability to attract new clients and members, any of which could materially adversely impact the Company’s financial performance.

Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. Errors or defects in PINCHme’s existing or future products and services may be detected or experienced by members in the future. If that occurs, the Company may lose sales, members and/or clients.
5.2.8 Security breach and data privacy
The services the Company offers involve the storage and transmission of clients’ and members’ confidential and proprietary information, including intellectual property, confidential business information, and other confidential personal information. The Company’s business could be materially impacted by security breaches of the clients’ and members’ data and information, either by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data. There is also a risk that the measures the Company takes may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential personal or proprietary information, and any of these events may cause significant disruption to the business and operations. This may also expose the Company to reputational damage, legal claims by members, termination of client contracts, and regulatory scrutiny and fines, any of which could materially adversely impact the financial performance and prospects of the Company.

In addition, any security or data issues experienced by other software companies globally could adversely impact customers’ trust in providing access to their personal data generally, which could adversely affect the Company’s ability to provide its services generally.

5.2.9 Compliance with laws and regulations
PINCHme must comply with a range of legal requirements, which are subject to continuing development and often to increasing government intervention, including with regard to privacy, data protection, and unsolicited communications, which in the United States are subject to regulation at both the federal and state level. Failure by PINCHme to comply with laws and regulations may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage, which could have an adverse effect on the Company’s business. Federal and state regulators are also enforcing existing laws, regulations and rules more aggressively and enhancing their supervisory expectations regarding the management of legal and regulatory compliance risks.

PINCHme may become subject to new laws, regulations or industry compliance standards, or new interpretations of existing laws, regulations or industry compliance standards in the future, in particular with regards to privacy, data protection and unsolicited communications. New or amended laws, regulations or industry compliance standards could restrict PINCHme’s ability to provide its services, result in changes to its business model, or make compliance more difficult or expensive, which may have an adverse impact on the Company’s business or prospects.

5.2.10 Reliance on key personnel
The emergence and development of the Company’s business has been largely due to the talent, effort, experience and leadership of its Management team, including its CEO and President. The Company is substantially dependent on the continued service of its CEO and President, as well as other existing sales, client success, marketing, product and information technology personnel because of the complexity of its services and technologies. There is no assurance that the Company will be able to retain the services of such persons, particularly as their employment can be terminated by the individuals at any time (with the exception of the CEO). If one or more of its current CEO and President were no longer employed with the Company, its current financial performance is very likely to be adversely impacted and its growth prospects negatively impacted as a result.

5.2.11 Product liability
The Company attempts to address any liability it might assume due to the distribution of consumer products via contractual terms with its clients. It is not always able to do so and distributing consumer products carries an inherent risk of product liability, such as due to adverse reactions to cosmetics, food or cleaning products. The Company may have to limit the distribution of products if it cannot mitigate its risk adequately by contractual means or through the purchase of product liability insurance. The Company may not be able to obtain further product liability insurance, or may not be able to renew or otherwise obtain insurance on commercially viable terms. Whilst there has historically been no instances of product liability claims, any future product liability claims may disrupt the Company’s business operations and may cause reputational harm by leading members to doubt product safety, quality and reliability of supply, adversely impacting the Company’s financial performance. It also has the potential to divert Management time.

5.2.12 Reliance on third parties
The Company relies on a third party for data hosting on an outsourced basis. The Company also uses a small number of third party applications for aspects of its products. A failure by any of these suppliers to provide those services or software, may adversely affect PINCHme’s ability to provide services to its clients and members. PINCHme’s ability to pass on any losses suffered as a result of a failure by a third party may be significantly limited (for example, the services contract the Company has in place with Amazon Web Services is on standard terms and favourable to Amazon Web Services). Also, the licences for third party products may cease to be available on commercially reasonable terms, which could materially impact on PINCHme’s financial performance.
The Company also relies on third party logistics (3PL) solutions providers to store, pack and distribute samples in an efficient, timely and cost-effective basis. This is a key element of the Company's sampling business and so key to the Company's financial performance. The Company believes that it has a positive mutually beneficial relationship with its primary 3PL partner and that the risk of it not being able to distribute samples in a timely and efficient manner is low. It also believes the third parties it currently uses can increase capacity to meet increased demand, and can be supplemented and or replaced if needed. Nonetheless, there is a risk that the Company’s financial performance may be significantly adversely impacted if its current 3PL distributor is not able (for whatever reason, including reasons outside of the Company’s control) to store and distribute clients’ samples in an efficient, timely and cost-effective manner, or there is a disruption to the provision of those services.

The Company is also reliant on advertising agency partners who provide key services in assisting the Company attract and retain members, as well as to source performance-based advertising offers. Whilst the Company’s relationship with these agencies is strong and the risk is low, if the Company is no longer able to use the services of these advertising agencies, and is unable to use the services of a suitable alternative, it may have a materially adverse impact on its business.

5.2.13 Need to attract and retain skilled staff
The Company’s future success will depend, in part, on its ability to attract and retain skilled staff. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel. A failure to attract and retain such personnel may have an adverse effect on the Company’s business as it may not be able to provide its products and services in a satisfactory manner, if at all, and is unlikely to be able to undertake and realise its intended growth strategies.

5.2.14 Protection of intellectual property rights
The Company has trade secrets and other intellectual property, including business processes, know-how, copyrights and trademarks that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its employees, and third parties with whom it has relationships, as well as domain names, trade secrets and copyright, to protect its brand and other intellectual property rights.

There is a risk that PINCHme may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions taken by PINCHme to protect its intellectual property rights may not be adequate or successful and therefore may not prevent the misappropriation of its intellectual property and proprietary information.

Breach of PINCHme’s intellectual property may result in the need for PINCHme to commence legal action, such as infringement or administrative proceedings, which could be costly time consuming and potentially difficult to enforce in certain jurisdictions and may ultimately prove unfavourable. PINCHme’s failure to protect its intellectual property rights could have a materially adverse impact on its operations and financial performance.

5.2.15 Breach of third party intellectual property rights
There is a risk that third parties may allege that PINCHme’s products or services use intellectual property derived by them or from their products or services without their consent or permission. Alternatively, PINCHme may be alleged to have breached a confidentiality obligation owed to a third party or to have breached the intellectual property rights of its clients, notwithstanding that PINCHme obtains licenses from its clients to use their intellectual property in the course of client campaigns. PINCHme may therefore be the subject of claims which could result in disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have a materially adverse impact on PINCHme’s operations, reputation and financial performance.

5.2.16 FMCG clients are sophisticated organisations and MSAs can be terminated at will
The Company’s FMCG clients are generally large sophisticated entities with global operations and centrally governed procurement requirements/functions. Whilst the Company makes significant efforts to satisfy procurement obligations, there is a risk that the Company may not, or no longer, satisfy the procurement requirements of one or more FMCG clients and suffer detriment as a result.

The Company’s MSAs govern the Company’s relationship with nearly all FMCG clients. Pursuant to the MSAs, those clients may terminate their relationship with the Company at any time, in some instances without advance notice and clients are under no obligation to undertake sampling campaigns with PINCHme despite the existence of an MSA. Whilst no MSA has been terminated to date, other than due to expiry of a term or through re-negotiation, if a number of clients were to terminate their arrangements, or reduce their commitments with the Company as permitted under the terms of their MSAs, this is likely to have a materially adverse impact on the Company’s business. Refer to Section 9.8.1 for further details of the typical terms of an MSA.

The Company also assumes credit risk against its FMCG clients and, whilst they are generally very large credit worthy companies and make prompt payment of debts, there is a risk that partners delay in making payments to the Company, which could have a materially adverse effect on the Company’s cash flow and impact its financial position and prospects.
SECTION 5. RISK FACTORS

5.2.17 Competition and new technologies
The industries in which the Company operates (such as online advertising, market research and targeted sampling) are subject to various forms of domestic and global competition. These competitors utilize alternative business methods, are fast-paced and constantly changing. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the Company. For example, new third party technologies could prove more advanced or beneficial than the Company’s, which could adversely affect the Company’s revenue potential.

5.2.18 Management of future growth
The Company’s business depends on its ability to retain existing members and clients and growth depends on PINCHme’s ability to attract further business from existing clients and to attract new members and clients.

The Company will be required to continue to implement and improve its services in a timely manner in order to accommodate any increase in the number of clients and members and scale of its operation. A failure to do so may adversely affect the Company’s business, financial position, results of operations, cash flows and prospects.

5.2.19 Future funding requirements
Although the Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its short-term business objectives, there can be no assurance that the Company’s objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Any additional equity financing may be dilutive to the Company’s Share or CDI Holders and any debt financing, if available, may involve restrictive covenants, which limit the Company’s operations and business strategy.

If the Company is unable to raise capital if and when needed, it could delay or suspend the Company’s business strategy and could have a materially adverse effect on its business, financial position, results of operations, cash flows and prospects.

5.2.20 Directors retaining a significant stake
After the Offer is completed, a number of the Directors will hold a significant portion of the Shares and Options on issue in the Company and will continue to be able to exert significant influence over PINCHme, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters submitted to the vote of shareholders. There is a risk that the interests of the Directors may be different from the interests of investors who acquire CDIs under the Offer. The continued shareholding of the Directors, in particular until the end of the escrow period, may cause or contribute to a limited liquidity in the market for CDIs, which could affect the market price at which other CDI Holders are able to sell their CDIs. There is also a risk that a significant sale of shares by the Directors after the end of the escrow period, or the perception that such a sale might occur, could adversely impact the price of CDIs. Refer to Section 6.3.2.5 for details of the ownership interests of the Directors.

5.3 Investment and general risks

5.3.1 Liquidity risk
In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at completion of the Offer approximately 17.9% of the CDIs on issue will not be able to be traded for a period of 24 months commencing on the date of Listing, and approximately a further 1.4% of the CDIs on issue will not be able to be traded for a period of up to 12 months commencing on the date of Listing. The Company will also enter into voluntary escrow arrangements under which, at completion of the Offer, a further approximately 8.6% of the CDIs on issue will not be able to be traded for a period of 24 months commencing from the date of Listing and a further approximately 13.6% of the CDIs on issue will not be able to be traded until the release of the FY2018 result. Given the number of CDIs restricted from trading, there will only be liquidity with respect to approximately 58.4% of the CDIs on issue at Completion of the Offer until such time as applicable escrow periods end.

The CDIs issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia, the United States or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue, or that the market price of the CDIs will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for CDIs may fall or be made more volatile because of the relatively low volume of trading in the Company’s securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of shares. If illiquidity arises, there is a real risk that CDI Holders will be unable to realise their investment in the Company.

1. All percentages referred to in this Section 5.3.1 assumes all Shares are held in the form of CDIs.
5.3.2 Economic and government risks
The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

i. general economic conditions in jurisdictions in which the Company operates, especially the United States of America;

ii. changes in government policies, taxation and other laws in jurisdictions in which the Company operates, especially the United States of America;

iii. the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector and consumer goods;

iv. movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates, especially the United States of America; and

v. natural disasters, social upheaval or war.

5.3.3 Investment risk
There are a number of risks associated with any stock market investment. The price of CDIs may rise or fall in relation to the Offer Price and investors who decide to sell their CDIs after Listing of the Company may not receive the full amount of their original investment.

The value of the CDIs will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

5.3.4 Taxation
The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for CDIs under this Prospectus.

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

5.3.6 Accounting standards may change
Generally Accepted Accounting Principles in the United States of America (US GAAP) are set by the Financial Accounting Standards Board (FASB) and are outside the control of either the Company or its Directors and senior management. The FASB is due to introduce new or refined Financial Accounting Standards applicable in the United States of America in the coming years, which may affect future measurement and recognition of key income statement and balance sheet items. There is also a risk that interpretations of existing US GAAP Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items may differ. Changes to US GAAP issued by the FASB, or changes to the commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company’s consolidated financial statements.

5.3.7 Foreign exchange risk
The proceeds of the Offer will be received in Australian Dollars, while the Company’s functional currency is US Dollars. The Company is not currently hedging against exchange rate fluctuations, and consequently the Company will be at the risk of any adverse movement in the U.S Dollar-Australian Dollar exchange rate between the pricing of the Offer and the closing of the Offer.

The CDIs will be listed on the ASX and priced in Australian Dollars. However, the Company’s reporting currency is US Dollars. As a result, movements in foreign exchange rates may cause the price of the Company’s securities to fluctuate for reasons unrelated to the Company’s financial condition or performance and may result in a discrepancy between the Company’s actual results of operations and investors’ expectations of returns on securities expressed in Australian Dollars.
5.3.8 Provisions of the Company’s Certificate of Incorporation, its Bylaws and Delaware law could make an acquisition of the Company more difficult

Certain provisions of the Company’s Certificate of Incorporation and Bylaws could discourage, delay or prevent a merger, acquisition or other change of control that CDI Holders may consider favourable, including transactions in which Shareholders might otherwise receive a premium for their CDIs. These provisions could also limit the price that investors might be willing to pay in the future for the CDIs, thereby depressing the market price of the CDIs. CDI Holders who wish to participate in these transactions may not have the opportunity to do so. A summary of these provisions is set out in Section 9.5.

In addition, the Company is governed by the provisions of section 203 of the Delaware General Corporation Law (DGCL), which may, unless certain criteria are met, prohibit large Shareholders, in particular those owning 15% or more of the voting rights on Shares, from merging or combining with the Company for a prescribed period of time. This is described in under the heading ‘how takeovers are regulated’ in Section 9.6.

5.3.9 The costs and Management time involved in complying with DGCL and Australian laws are likely to be significant

As a Delaware corporation, the Company will need to ensure its continuous compliance with DGCL and, since the Company will be listed on the ASX and registered as a foreign company in Australia, the Company will also need to ensure continuous compliance with relevant Australian laws and regulations, including the Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between DGCL and Australian law and regulations, the Company may need to make changes to its business operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in additional demands on Management and extra costs.

5.3.10 Force majeure events

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to PINCHme specifically or the stock market more generally, which could have a negative impact on the value of an investment in the CDIs.

5.3.11 Litigation and claims

PINCHme may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, claims for indemnification, intellectual property infringement claims and regulatory enforcement actions by government and non-government bodies in both the United States of America and Australia including taxation authorities among others. Even if the Company is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact PINCHme’s operating and financial performance due to the cost of litigating or settling such claims and the distraction such claims provide for management, and could also affect PINCHme’s reputation.

5.3.12 Speculative investment

The above list of risk factors is not to be taken as an exhaustive list of risks that the Company or its CDI Holders are exposed to. The above risks, and others not specifically referred to above, may in the future materially impact the financial performance of the Company and the value of the CDIs. The CDIs issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX.

The Company does not currently pay dividends and is unlikely to pay a dividend for a period of time, if at all.

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 CDls under this Prospectus.
SECTION 6.

KEY PEOPLE, INTERESTS AND BENEFITS
6.1 Board of Directors and key management

The Directors bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board and key management are set out below.

**FIGURE 6.1: BOARD OF DIRECTORS**

<table>
<thead>
<tr>
<th>Director</th>
<th>Experience</th>
</tr>
</thead>
</table>
| Jeremy Reid                      | • Jeremy is the Chairman and CEO at PINCHme, which he founded in 2012 in Australia.  
                                 | • In early 2013, Jeremy moved to New York to establish PINCHme in the US. As Chairman and CEO, Jeremy is responsible for the overall leadership and vision of the Company.  
                                 | • Prior to this, Jeremy founded hedge fund Everest Babcock & Brown, which amassed A$3.5 billion in assets under management by investing in subordinated debt, private equity and other hedge funds. |
| Adam Caplan                     | • Adam has been the President at PINCHme since September 2014 and a Director of PINCHme since April 2015.  
                                 | • Prior to PINCHme, Adam was a co-founder and President at ARM Insight, Inc., a provider of business intelligence and credit card transaction analytics for the financial services industry, and prior to that the President at Super Rewards, a virtual currency monetisation solution for Facebook games that was sold to Adknowledge Inc. in June 2009.  
                                 | • Before moving into the technology space, Adam spent eleven years as an investment banker with Morgan Stanley.  
                                 | • Adam holds a BComm (Hons)/ LLB (Hons) from the University of Melbourne.                                                                                             |
| Giles Craig                     | • Giles has been a Non-Executive Director of PINCHme since July 2018.  
                                 | • Giles is Chairman of Asset Resolution Limited and is an executive director of Hamilton Securities Limited, both of which are National Stock Exchange of Australia (NSX) listed investment companies. In addition he is a member of the compliance committee of RateSetter Australia RE, a peer to peer lender.  
                                 | • Giles was previously Managing Director of Cameron Stockbrokers Limited, a Sydney based private client stockbroker. Prior to that, he was Head of Private Clients at AMP Capital, Head of Distribution at Henderson Private Capital and worked in corporate finance at Merrill Lynch and mergers and acquisitions at Morgan Stanley.  
                                 | • He qualified with Ernst & Whinney as a Chartered Accountant in 1986.                                                                                            |
| Michael Seder                   | • Michael has been a Non-Executive Director of PINCHme since July 2018.  
                                 | • Michael was the co-founder and director of Squareknot Pty Ltd, a company that is bridging the gap between growth companies looking for funding and investors in search of new opportunities.  
                                 | • Michael is also a director of Amplifier Corporation Pty Ltd, a developer of mobile applications and technology including www.shareableapps.com, and a Director of Corecaster (UK), Ltd., owner of social media data analytics platform piptook.com.  
                                 | • In addition to his directorships, Michael manages private equity investing for his family fund with various successful investments reaching IPO or trade sales. Michael was an early investor in PINCHme.  
                                 | • From 1995 – 2002 Michael was Managing Director of Andi’s Beer Wine & Spirits, a family chain of liquor retail outlets sold to Woolworths in 2002 (eventually being renamed BWS). |
**Director**

<table>
<thead>
<tr>
<th>Director</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal Pisciotta</td>
<td>• Walter Pisciotta (OAM), also known as Wal, is a founder, former CEO and served as the Chairman at Pentana Solutions Pty Ltd from March 1992 until 2017. He is now the alternate director for his daughter Lauren Pisciotta.</td>
</tr>
<tr>
<td></td>
<td>• Wal is also a Co-founder of carsales.com Limited, where he served as a non-independent non-executive Chairman from formation in 1997 until August 2015. He remains a non-executive director. Wal has over 40 years’ experience in supplying computer services to the automotive industry.</td>
</tr>
<tr>
<td></td>
<td>• Wal was recognised with the Order of Australia Medal for his services to the Australian Automotive Industry in the 2016 Queen’s Birthday Honours.</td>
</tr>
<tr>
<td></td>
<td>• Wal has a B.Sc. in Business Administration from the University of Alabama, Birmingham.</td>
</tr>
<tr>
<td></td>
<td>• Wal’s proposed appointment as a Non-Executive Director of PINCHme is effective upon the successful Completion of the Offer.</td>
</tr>
</tbody>
</table>

In addition to Jeremy Reid and Adam Caplan, the Company’s senior management team consists of the following persons:

**FIGURE 6.2: SENIOR MANAGEMENT TEAM**

<table>
<thead>
<tr>
<th>Key Management</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>CJ Bilangino</td>
<td>• Charles (“CJ”) joined PINCHme in March 2018.</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Prior to PINCHme, CJ served as CFO for Nourish Snacks, an e-commerce FMCG company, Managing Director for AGIO, a provider of integrated managed IT and cybersecurity services to the financial services, health care and payments industries, as well as a manager for Ernst &amp; Young.</td>
</tr>
<tr>
<td>Mark Oreta</td>
<td>• Mark joined PINCHme in March 2018.</td>
</tr>
<tr>
<td>Chief Technical Officer</td>
<td>Prior to PINCHme, Mark was at iHeartMedia, a global media and entertainment company, for nearly 10 years. The most recent position he held at iHeartMedia was Vice President, Business Technology Solutions where he headed the IT quick wins organisation, which did technology research and development, as well as managing the B2B and corporate web platforms.</td>
</tr>
<tr>
<td>Daniel Bornstein</td>
<td>• Daniel joined PINCHme in March 2018.</td>
</tr>
<tr>
<td>Chief Revenue Officer</td>
<td>Prior to joining PINCHme, Daniel spent over 15 years working for a mix of e-commerce and digital media companies, holding leadership positions in various start-ups and publicly traded companies. Notably, Daniel worked at Google for five years in both the US and EMEA. In his last role he oversaw the new business development team for Google UK. After Google, Daniel served as head of advertising and revenue for four years at DeviantArt (a top ten social network for millennials) which enjoyed a successful exit to WIX. After DeviantArt, Daniel served as senior vice president, monetisation and operations at Leaf Group, a diversified internet holding company.</td>
</tr>
<tr>
<td></td>
<td>• Daniel holds a BA from The Interdisciplinary Center (honors) and an MSc from the London School of Economics (honors).</td>
</tr>
</tbody>
</table>
6.2 Organisational structure
The Company’s various departments are currently structured as follows:

FIGURE 6.3: ORGANISATIONAL STRUCTURE DIAGRAM

CEO
Jeremy Reid

President
Adam Caplan

CFO
CJ Bilangino

- Operations & Legal
- Research & Analytics
- Customer Service
- Sampling
- Sales
- Marketing
- QWIZme
- Performance-Based Online Advertising
- Product & Engineering

6.3 Interests and benefits of Directors
Other than as set out below or elsewhere in the Prospectus, no Director or Proposed Director:

• has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; or
• has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

6.3.1 Director disclosures
Other than as described below, no Director or Proposed Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor’s decision as to whether to subscribe for CDIs.

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

Jeremy Reid was previously the founder and chief executive of the Everest Babcock & Brown Income Fund (EBBIF). As a result of events that occurred at EBBIF in 2007 and 2008 in respect of redemption enquiries and requests from EBBIF investors, in June 2013, Jeremy Reid entered into an enforceable undertaking with ASIC under which, for a period of 2 years, he undertook not to (i) provide financial services, (ii) hold an Australian financial services licence or (iii) be employed by a financial services company. There was no admission of fault or guilt by Jeremy Reid. The other Directors and Proposed Director of PINCHme do not believe that the above matter is material to the future performance of Jeremy Reid’s duties as a director of PINCHme or the future performance or prospects of PINCHme.

Each Director and Proposed Director has confirmed to the Company that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as applicable, without constraint from other commitments.

6.3.2 Directors’ and senior management interests and remuneration

6.3.2.1 Executive Director Remuneration
Jeremy Reid is employed in the position of Chief Executive Officer of the Company. PINCHme has entered into an employment contract with Jeremy Reid to govern his employment. See Section 6.3.2.6.1 below.

Adam Caplan is employed in the position of President of the Company. PINCHme has entered into an employment contract with Adam Caplan to govern his employment. See Section 6.3.2.6.2 below.
6.3.2.2 Non-Executive Director Remuneration

Under the Company’s Bylaws, the Directors decide the total amount paid to each Non-Executive Director as remuneration for their services. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. This amount is capped under the Bylaws at A$450,000 per annum. Any increase to the aggregate amount needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate.

This aggregate annual sum does not include any other remuneration which the Board may grant to the Directors for providing services to the Company in another capacity.

The Company has entered into an appointment letter with each of its Non-Executive Directors and the Proposed Director for a term of three years. The Directors’ fees currently agreed to be paid by the Company under the appointment letters are A$75,000 per annum. Under the appointment letters, the Company has also agreed to pay A$7,500 per annum to each Non-Executive Director who is a member of the Audit and Risk, or Remuneration and Nomination Committees.

6.3.2.3 Indemnification and insurance of Directors

The Company’s Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law. The Company has entered into indemnification agreements with each Director and the Proposed Director. Under these indemnification agreements, the Company has agreed to indemnify, to the extent permitted by the law, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of, being or acting as a director of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as a director of the Company, including legal expenses to the extent such losses or liabilities relate to actions taken in good faith by the Director and in a manner the Director reasonably believed to be in or not opposed to the best interests of the Company and in the case of criminal proceedings where the Director had no reasonable cause to believe that his conduct was unlawful. To the extent that the Company maintains a Directors and officers policy of insurance, it must ensure that the Directors are covered for the period that they are directors.

6.3.2.4 Other information about Directors’ remuneration

Each of the Directors and the Proposed Director have been granted Options over Shares under the Company’s Equity Incentive Plan (refer to Section 6.4 below for further detail on the Equity Incentive Plan). The Options are set out below in Table 6.1 and further described in 9.3.3.

6.3.2.5 Directors’ interests in CDIs and other securities

**TABLE 6.1: DIRECTORS’ PROPOSED INTERESTS ON COMPLETION OF THE OFFER**

The table below sets out the interests of Directors on Completion of the Offer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares</th>
<th>Equivalent number of CDIs</th>
<th>Percentage (%) ownership on Completion (undiluted)</th>
<th>Options (in equivalent CDIs)</th>
<th>Percentage (%) ownership on Completion (fully diluted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeremy Reid</td>
<td>32,127</td>
<td>11,405,085</td>
<td>9.7%</td>
<td>5,000,000</td>
<td>13.0%</td>
</tr>
<tr>
<td>Adam Caplan</td>
<td>10,446</td>
<td>3,708,330</td>
<td>3.2%</td>
<td>1,000,000</td>
<td>3.7%</td>
</tr>
<tr>
<td>Giles Craig</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>75,000</td>
<td>0.1%</td>
</tr>
<tr>
<td>Wal Pisciotta</td>
<td>38,370</td>
<td>13,621,350</td>
<td>11.6%</td>
<td>150,000</td>
<td>10.9%</td>
</tr>
<tr>
<td>Michael Seder</td>
<td>3,029</td>
<td>1,075,295</td>
<td>0.9%</td>
<td>75,000</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

1. Jeremy Reid’s holdings are held through Bedford International Pty Ltd and Indigo International Pty Ltd. Wal Pisciotta’s holdings are held through Rainbow End Investments Pty Ltd, Rainbow TJP Superannuation Fund, Rainbow LCP Superannuation Fund and Rainbow LOZ Superannuation Fund. Michael Seder’s holdings are held through Kimik Nominees Pty Ltd.
2. Includes Shares to be issued on conversion of the Shareholder Loans and Convertible Notes. Does not include any Shares which the Directors or the Proposed Director may subscribe for under the Offer.
3. Further detail regarding Options is set out in Section 9.3.3. Options have been granted over Shares at varying exercise prices (the CDI equivalent is shown for convenience).
4. Percentage holding on a fully diluted basis has been calculated as if all of the Options on issue had been exercised in accordance with their terms.
6.3.2.6 Executive remuneration

6.3.2.6.1 Jeremy Reid
The Company entered into an employment agreement with Jeremy Reid, the Company’s Chief Executive Officer, on 8 August 2018. Pursuant to his employment agreement, upon Completion Jeremy’s annual base salary will be US$395,000. Jeremy may also be entitled to a discretionary bonus from time to time as determined by the Company, taking into account factors including Jeremy’s and the Company’s performance over the previous year. Certain other benefits are available and payable to Jeremy, including a corporate housing allowance, mobile phone and health insurance, a health and wellness allowance and certain housing expenses. Jeremy is also entitled to be reimbursed for business travel and entertainment expenses in accordance with the Company’s expense policy.

Either Jeremy or the Company may terminate his employment without cause by providing 12 months’ written notice. The Company may pay Jeremy his base salary in lieu of such notice. The Company may also terminate Jeremy’s employment for “cause” with immediate effect (which includes for wilful misconduct or deliberate failure to perform his duties, or a material breach of the terms of his employment agreement) and for “good reason” on 10 days’ written notice (if the good reason is incapable of remedy). “Good reason” occurs where there is a material change in Jeremy’s job duties or the assignment of duties that are not reasonably consistent with his position, or a material change in his position or job title.

Upon termination of his employment without cause or for good reason, Jeremy is entitled to any accrued but unpaid base salary, unreimbursed business expenses and any other payments or benefits Jeremy was entitled to up until termination. If Jeremy is terminated by the Company without cause and Jeremy signs a release in a form acceptable to the Company and complies with certain other conditions, Jeremy will also be entitled to three months’ severance pay for the first two years of service plus six weeks’ severance pay for every subsequent year of service until the date of termination (pro rata as necessary).

Under the terms of his employment agreement, Jeremy is prohibited during his employment with the Company, and within the 12 month period following the end of his employment with the Company, from (a) directly or indirectly engaging within the United States in any activities or business that are similar to or competitive with activities the Company engaged in at any time during the 12 months’ preceding his termination, or which the Company had plans to engage in at the time of his termination and (b) soliciting any customers or prospective customers of the Company or any Company employees or consultants.

Jeremy’s employment agreement also includes provisions regarding confidentiality, the assignment of intellectual property developed by Jeremy in connection with his employment, and other terms which are customary for an agreement of this nature.

Pursuant to his employment agreement and the terms of the Equity Incentive Plan, Jeremy will be issued with Options on Completion of the Offer, the details of which are set out in Section 9.3.3.

6.3.2.6.2 Adam Caplan
The Company entered into an employment agreement with Adam Caplan, the Company’s President, commencing 1 September 2014. Pursuant to his employment agreement, Adam’s annual base salary is US$375,000. Certain other benefits are available and payable to Adam under the terms of his employment, including health, vision and dental insurance consistent with the Company’s standard employee insurance policy. Adam also receives an amount of paid vacation and annual leave which is customary for an employment agreement of this nature.

Adam’s employment agreement continues indefinitely and may be terminated at will by either party at any time, meaning it can be terminated for convenience with or without cause. No amounts other than accrued salary and other entitlements are payable on termination.

Adam’s employment agreement also includes a restriction on soliciting Company employees for a period of 12 months following termination of his employment. His employment agreement also includes provisions regarding confidentiality, the assignment of intellectual property developed by Adam in connection with his employment, and other terms which are customary for an agreement of this nature.

Adam is eligible to participate in the Company’s Equity Incentive Plan (see Section 6.4). The Board has resolved to grant Adam Caplan Options under the Equity Incentive Plan on Completion of the Offer, the details of which are set out in Section 9.3.3.

6.3.2.6.3 Charles “CJ” Bilangino
The Company entered into an employment agreement with Charles “CJ” Bilangino, the Company’s Chief Financial Officer, dated 19 March 2018. Pursuant to his employment agreement, CJ’s annual base salary is US$195,000. CJ is also entitled to a US$50,000 cash bonus payable upon the Company’s Listing. Certain other benefits are available and payable to CJ under the
terms of his employment, including in relation to CJ's travel to work, as well as health, life, disability, vision and dental insurance consistent with the Company's standard employee insurance policy. CJ also receives an amount of paid vacation and annual leave which is customary for an employment agreement of this nature.

CJ's employment agreement continues indefinitely and may be terminated at any time by either party on two weeks' written notice. No other amounts other than accrued salary and other entitlements are payable on termination.

CJ's employment agreement also includes a restriction on soliciting Company employees for a period of 12 months following termination of his employment. His employment agreement also includes provisions regarding confidentiality, the assignment of intellectual property developed by CJ in connection with his employment, and other terms which are customary for an agreement of this nature.

CJ will be eligible to participate in the Equity Incentive Plan. The Board has resolved to grant CJ Bilangino Options under the Equity Incentive Plan on Completion of the Offer, the details of which are set out in Section 9.3.3.

6.3.2.7 Other Key Management

The other members of Key Management referred to in Section 6.1 are each party to employment contracts with the Company. These contracts entitle the employee to a fixed compensation amount, along with other standard employment benefits such as health, life, disability vision, and dental insurance and reimbursement of business expenses.

In addition, Daniel Bornstein is eligible to earn commission on the net revenue received by the Company that is attributable to affiliate advertising and data monetisation deals that are generated by Daniel and his team (net of direct costs). Commission is payable quarterly on a sliding scale depending on the level of revenue, from 0% to 8% of revenue generated. Mark Oreta is eligible for a discretionary cash bonus payable after 12 months of employment (i.e. after 22 March 2019).

In addition, the employees are entitled to participate in the Company's Equity Incentive Plan, and have each been granted Options under that plan on Completion of the Offer (refer to Section 9.3.3 for further details of the Options).

The employment contracts for these members of Key Management do not have fixed terms and can be terminated by either party on two weeks' notice. If Mark Oreta's employment is terminated within 18 months of his commencement as an employee of PINCHme (i.e. before 22 September 2019) he is entitled to a payment of US$70,000. Each employee is subject to a restriction on soliciting Company employees for a period of 12 months following termination of their employment.

6.4 Equity Incentive Plan

The Company has adopted the 2018 Stock Inventive Plan (Equity Incentive Plan), to encourage stock ownership amongst the Employees, Directors and consultants of the PINCHme Group, to provide additional incentives for such individuals, and to assist the PINCHme Group in attracting and retaining the best personnel. Under the Equity Incentive Plan, the Company has reserved 35,000 Shares for issue under the plan and, as at the date of this Prospectus, the Board has agreed to grant 26,387 Options (over 26,387 Shares) on Completion of the Offer. Further details regarding these Options are set out in Section 9.3.3.

Under the Equity Incentive Plan, the Company may grant incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock units, restricted stock awards and other stock-based awards (Awards) to employees, officers, Directors and consultants (Participants).

The Board administers the Equity Incentive Plan and determines the terms of any Awards which are granted, including:

- which Participants will be granted Awards;
- the number and type of Awards to be granted to such Participants;
- terms and conditions of any Awards granted, including conditions for the repurchase, termination or cancellation of the incentives as well as the issue price and repurchase price for the incentives;
- specifically in the case of Options:
  - the exercise price of any Options granted, which will generally not be less than fair market value of the Company's Shares on the date the Option is granted;
  - the number of Shares into which an Option is exercisable, provided that such Options may not be exercisable over a percentage of the Company's share capital;
  - the terms on which the Options will become exercisable, and
  - the termination or cancellation provisions applicable to the Options which are granted, provided that the expiry date is, in most cases, not more be more than 10 years from the date the Option was granted; and
The Board or any committee to which the Board delegates authority may not amend or modify the terms of an outstanding Option as to have any of these effects:

- cancelling an Option for consideration, unless Shareholder approval is obtained;
- reducing the exercise price of an Option;
- increasing the period for exercise of an Option; or
- increasing the number of Shares received on exercise of an Option.

Upon a merger, consolidation, transfer or disposition of all of the Shares of the Company, liquidation or dissolution (Reorganisation Event), the Board may, in its sole discretion, take any one or more of the following actions pursuant to the Equity Incentive Plan, as to some or all outstanding Awards, subject to compliance with all relevant legal requirements and the Listing Rules:

- provide that all outstanding Awards granted under the Equity Incentive Plan will be assumed by the successor corporation or substituted for options of the successor corporation;
- terminate any outstanding Awards before the Reorganisation Event unless exercised within a certain number of days;
- provide that outstanding Awards will become exercisable or vested;
- terminate any outstanding Awards in exchange for a cash payment equal to the amount that could have been obtained upon the exercise or vesting of the Award or realization of the holder’s rights (has such Award been currently exercisable, payable or fully vested); and
- in connection with a liquidation or dissolution of the Company, convert Awards into a right to receive liquidation proceeds.

6.5 Corporate governance

This section summarises the key corporate governance policies and practices adopted by the Company and outlines how the Board will oversee the management of the PINCHme Group’s business. Details of the Company’s key policies and practices and the charters for the Board and each of its committees are available at www.pinchme.com.

6.5.1 ASX Corporate Governance Principles

The ASX Corporate Governance Council has developed the ASX Corporate Governance Principles and Recommendations (ASX Recommendations) for ASX listed entities to promote investor confidence and assist companies in meeting stakeholder expectations. The recommendations are guidelines and are not prescriptive, however, under the ASX Listing Rules, the Company will be required to disclose the extent of its compliance with the ASX Recommendations for each reporting period. Where the Company has not followed an ASX Recommendation, it will be required to identify the recommendation that has not been followed and give reasons for not following it.

Except as set out below, the Company intends to comply with all of the ASX Recommendations from the time of its Listing. The Company will also disclose in its annual report the extent of its compliance with the ASX Recommendations. Specifically:

- The majority of the Board are not independent Directors, the Chairman is not an independent Director and the Chairman is not a different person to the CEO, as required by ASX Recommendations 2.4 and 2.5, respectively. Currently only one Board member is an independent Director (Giles Craig). The Board, having regard to the Company’s stage of development and the collective experience and expertise of the Directors, considers the current composition of the Board appropriate.
- The majority of the Directors on the Audit and Risk Committee and the Nomination and Remuneration Committee are not independent Directors as required by ASX Recommendations 4.1 (audit), 7.1 (risk), 2.1 (nomination) and 8.1 (remuneration). The Remuneration and Nomination Committee is not chaired by an independent Director as required by ASX Recommendations 2.1 (nomination) and 8.1 (remuneration). The Company is presently unable to comply with all of the recommendations of the ASX Corporate Governance Council regarding the composition of these board committees given that only one Director is considered to be independent. The Board may adjust the composition of its board committees in the future if a further independent Non-Executive Director is appointed.
- 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 ASX Recommendation 1.5 (diversity) in full.
6.5.2 Board

6.5.2.1 Board composition and independence

It is currently anticipated that upon Listing the Board will be comprised of three Non-Executive Directors and two Executive Directors, including the Chairman. Biographies of these Directors are provided in Section 6.1.

The Board is responsible for the overall governance of the Company. The Board considers issues of substance affecting the Company, with advice from external advisers as required. Each Director must bring an independent view and judgement to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director’s ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director must not participate in discussions or resolutions pertaining to any matter for which the Director has a material personal interest.

At the date of this Prospectus, Giles Craig is an independent Director and does not hold any securities in the Company.

6.5.2.2 Board Charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The Charter sets out the Board composition, the Board’s role and responsibilities, the relationship and interaction between the Board and management and the authority delegated by the board to management and Board committees.

The Board’s role is to, among other things,

- provide leadership and set the strategic objectives of the Company;
- appoint the Chair, the Chief Executive Officer and other senior executives of the Company;
- oversee management’s implementation of the Company’s strategic objectives and its performance generally;
- oversee the integrity of the Company’s accounting and corporate reporting systems, including the external audit;
- oversee the Company’s process for making timely and balanced disclosure to the market;
- ensure that the Company has in place an appropriate risk management framework;
- approve the Company’s remuneration framework;
- review the performance and effectiveness of the Company’s governance practices policies and procedures;
- determine the Company’s dividend policy;
- evaluate, approve and monitor budgets, major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Company; and
- ensure that the Company maintains a commitment to promoting diversity in the workplace.

The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board. Management must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The Board collectively and any Director individually may seek independent professional advice at the Company’s expense, following consultation with the Chair of the Board, with the advice being made available to the Board as a whole.

6.5.3 Board committees

The Board may from time to time establish committees to assist in the discharge if its responsibilities. The Board has established an Audit and Risk Committee and a Remuneration and Nomination Committee. Membership of Board committees will be based on the needs of the Company, relevant legislation, regulatory and other requirements, and the skills and experience of Board members.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Overview</th>
<th>Members</th>
</tr>
</thead>
</table>
| Audit and Risk Committee   | The Audit and Risk Committee will assist the Board to carry out its accounting, auditing and financial reporting responsibilities, including with respect to the oversight of, among other things:  
  - the reliability and integrity of the Company’s financial reporting systems and processes;  
  - the appointment, remuneration, independence and competence of the Company’s external auditors;  
  - the performance of the external audit functions and review of their audits;                                                                 | Giles Craig (Chairman), Michael Seder, Jeremy Reid |
Committee | Overview | Members
--- | --- | ---
Audit and Risk Committee continued | • the accounting judgments exercised by management in preparing the Company’s financial statements; • the implementation and effectiveness of the Company’s system of risk management and internal controls; and • the Company’s systems and procedures for compliance with applicable legal and regulatory requirements. | Michael Seder (Chairman), Giles Craig, Jeremy Reid
Remuneration and Nomination Committee | The Remuneration and Nomination Committee will, assist and advise the Board on, among other things: • the appropriateness of the Company’s remuneration policies; • reviewing the composition and performance of the Board and its committees; • the process for recruiting new members of the Board, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board; • ensuring there are plans in place to manage the succession of Board members and senior executives; and • ensuring that programs are in place for the continued professional development of the Board. | Michael Seder (Chairman), Giles Craig, Jeremy Reid

Each committee has the responsibilities described in its respective committee charter which has been prepared having regard to the Listing Rules and the ASX Recommendations and are available on the Company’s website at www.pinchme.com.

6.5.4 Corporate governance code and policies

6.5.4.1 Code of Conduct
The Company recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has approved a formal code of conduct, to be followed by all directors, as well as all other officers and employees, and all other persons that act on behalf of the Company. The Code of Conduct addresses the following core standards:

• Integrity – all employees must act honestly and in good faith at all times and in a manner which is in the best interests of the Company as a whole;
• Conflicts of interest – employees must conduct their personal activities in a manner that is lawful and avoids conflicts of interest;
• Key stakeholders – employees must always deal with key stakeholders in a manner which is lawful, diligent and fair and with honesty, integrity and respect;
• Confidentiality and the use of the Company’s assets – employees must not disclose, or make improper use of, the Company’s confidential information and ensure that the Company’s assets and property are protected and only used for legitimate business purposes;
• Anti-bribery and gifts/dealings with politicians and government officials – employees must comply with laws against bribery and corruption and conduct dealings with politicians and government officials at arms length; and
• Compliance with laws – employees must always act in a manner that complies with applicable laws and regulations.

The Company is also committed to providing an equal opportunity workplace and to providing employees with whistleblower protection. The code also sets out the consequences for breach of the code, including the possibility of disciplinary action, including termination of employment.

6.5.4.2 Securities trading policy
The Company has adopted a written policy to take effect from listing for dealing in securities which is intended to explain the prohibited type of conduct in relation to dealings in securities under the Corporations Act and other laws applicable to the Company. The policy also seeks to establish a best practice procedure in relation to dealings in the Company’s securities by directors, officers, employees and their families and associates.
The securities trading policy sets out the restrictions that apply to such dealings including the “prohibited periods”, during which certain persons are generally not permitted to deal in the Company’s securities along with a procedure under which certain persons are required to submit prior notification and obtain written confirmation prior to such dealings outside those “prohibited periods”.

These documents will all be made available on the PINCHme website at www.pinchme.com.

6.5.4.3 Continuous Disclosure and Securityholder Communications Policies

Once listed on the ASX, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules, in addition to those disclosure requirements to which the Company is currently subjected to under applicable law. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company’s securities. PINCHme is committed to observing its continuous disclosure obligations and has adopted a continuous disclosure policy which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfill their obligations in relation to the timely disclosure of material price sensitive information.

The Company aims to ensure that investors are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company in accordance with all applicable laws. In particular, information will be communicated to securityholders through the lodgement of all relevant information with ASX and publishing information on the Company’s website at www.pinchme.com. The Company’s website will contain information about it, including media releases, key policies and charters. All relevant financial and other information will be posted on the Company’s website as soon as it has been released to ASX. The Company has adopted a securityholder communication policy which aims to ensure effective communication with the Company’s securityholders.

6.5.4.4 Diversity Policy

The Company has adopted a diversity policy to take effect from listing, which sets out the Company’s commitment to diversity and inclusion in the workplace. The diversity policy involves a framework to achieve the Company’s diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect. The Board has the role of implementing the diversity policy and assessing progress in achieving its objectives, over time.

At the time of the Offer, the composition of the Board will not reflect gender diversity; however, the Board proposes to give consideration to diversity (among other factors) in future appointments to the Board.

6.6 Related party transactions

In addition to the executive employment agreements with Jeremy Reid and Adam Caplan described in Section 6.3.2.5 above, PINCHme has entered into the following related party transactions prior to the Offer:

- each of Jeremy Reid and Michael Seder (or entities associated with them) have provided Shareholder Loans to the Company’s wholly owned Australian subsidiary Broadway&Houston Group Pty Limited. These Shareholder Loans will be repaid by way of the issuance by the Company of new Shares at the Offer Price on Completion, in accordance with the terms of the Implementation Agreement;
- each of Jeremy Reid, Adam Caplan, Wal Pisciotta and Michael Seder (or entities associated with them) currently hold Convertible Notes in the Company, which will be converted into new Shares on Completion of the Offer in accordance with their terms and the terms of the Implementation Agreement;
- Jeremy Reid, Adam Caplan and the Non-Executive Directors (including the Proposed Director) will be granted Options on Completion of the Offer, as described in Section 9.3.3;
- on Completion, the Company will repay an outstanding interest free loan provided by Jeremy Reid (or his associated entities) in the amount of A$245,000, from the proceeds of the Offer; and
- Tammi Reid (Jeremy Reid’s spouse) is currently employed by the Company in the role of Head of Customer Service. The Company has entered into a standard arm’s length employment agreement with Tammi Reid in respect of that role, for which she is currently paid a base salary of US$110,000. Tammi Reid is also eligible to participate in the Company’s Equity Incentive Plan, and will also be granted 112 Options (equivalent to 40,000 CDIs) under the Company’s Equity Incentive Plan on Completion of the Offer.

Apart from the above or as otherwise disclosed in this Prospectus, the Company has not entered into any related party transactions which remain in place or under which the Company still has obligations.
DETAILS OF THE OFFER
7.1 Description of the Offer

This Prospectus relates to an initial public offering of 16 million CDIs (equivalent to 45,070 Shares) at an Offer Price of A$0.50 per CDI, to raise A$8 million (before costs). Each CDI represents an interest in approximately 0.0028 Shares. The total number of Shares on issue following Completion of the Offer (including Shares held in the form of CDIs) will be 329,836. The Shares underlying the CDIs will rank equally with existing Shares on issue. Details of the CDIs and a summary of the key differences between holding CDIs and holding the underlying Shares are set out in Section 9.4. A summary of the rights attaching to Shares is set out in Section 9.5.

CDIs being offered under this Prospectus will represent approximately 13.7% of the total number of Shares on issue following Completion of the Offer, of which 137,152 Shares (representing 41.6% of the total Shares on issue) will be subject to voluntary and mandatory escrow arrangements. Further details regarding the escrow arrangements are described in Section 9.7.

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

7.2 Structure of the Offer

The Offer comprises:

- the Broker Firm Offer – which is open to Australian resident retail clients of participating Brokers, who have a registered address in Australia and who receive an invitation from a Broker to acquire CDIs under this Prospectus and are not in the United States and are not US Persons;
- the Priority Offer – which is open to selected investors nominated by PINCHme Group in eligible jurisdictions, who have received a Priority Offer invitation to acquire CDIs under this Prospectus; and
- the General Offer – which is open to retail investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons. The General Offer is being made under this Prospectus.

The allocation of CDIs between the General Offer, Broker Firm Offer and Priority Offer will be determined by the Company. For further information regarding the allocation of CDIs within each of the Broker Firm Offer, Priority Offer and the General Offer, see Sections 7.7.5, 7.8.5 and 7.9.5.

7.3 Purpose of the Offer

The Offer is being conducted to:

- provide the Company with the financial flexibility to fund working capital to grow the PINCHme business, including (but not limited to) by driving membership growth, funding product development and operational improvements, investing in marketing strategies and pursuing other growth opportunities;
- provide the Company access to capital markets; and
- assist the Company to attract and retain quality employees.
7.4 Source and uses of funds
The Offer is expected to raise A$8 million.
Table 7.1 sets out in detail the sources and uses of funds.

### TABLE 7.1: SOURCES AND USES OF FUNDS

<table>
<thead>
<tr>
<th>Sources of funds ($’000s)</th>
<th>US$</th>
<th>A$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated cash reserves as at date of prospectus</td>
<td>142</td>
<td>197</td>
</tr>
<tr>
<td>Proceed from the Offer</td>
<td>5,760</td>
<td>8,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of funds ($’000s)</th>
<th>US$</th>
<th>A$</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and member acquisition</td>
<td>1,800</td>
<td>2,500</td>
<td>30.5%</td>
</tr>
<tr>
<td>Research and development</td>
<td>375</td>
<td>521</td>
<td>6.4%</td>
</tr>
<tr>
<td>Costs of the Offer to be paid</td>
<td>1,259</td>
<td>1,749</td>
<td>21.3%</td>
</tr>
<tr>
<td>Infrastructure and security</td>
<td>190</td>
<td>264</td>
<td>3.2%</td>
</tr>
<tr>
<td>Repayment of debt and obligations</td>
<td>220</td>
<td>306</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>3,844</strong></td>
<td><strong>5,340</strong></td>
<td><strong>65.1%</strong></td>
</tr>
<tr>
<td>Working capital</td>
<td>2,058</td>
<td>2,857</td>
<td>34.9%</td>
</tr>
<tr>
<td><strong>Total sources of funds</strong></td>
<td><strong>5,902</strong></td>
<td><strong>8,197</strong></td>
<td><strong>Total uses of funds</strong></td>
</tr>
<tr>
<td><strong>Total uses of funds</strong></td>
<td><strong>5,902</strong></td>
<td><strong>8,197</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

7.4.1 Potential effect of the Offer on the future of PINCHme Group
The Board believe that, on Completion of the Offer, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and carry out its stated business objectives.

7.5 Minimum Subscription
The minimum amount which must be raised under this Prospectus is A$8 million. If the Minimum Subscription has not been raised within four months after the date of this Prospectus, the Company will not issue any CDIs under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. The Company will not seek to raise more than the Minimum Subscription.

7.6 Terms and conditions of the Offer

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the type of security being offered?</td>
<td>CDIs (being a CHESS Depositary Interest in Shares of the Company).</td>
</tr>
<tr>
<td>What are the rights and liabilities attached to the CDIs being offered?</td>
<td>A description of the CDIs, including the rights and liabilities attaching to them, is set out in Section 9.4.</td>
</tr>
<tr>
<td>What is the consideration payable for each Share being offered?</td>
<td>The Offer Price is A$0.50 per CDI.</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>What is the Offer period?</td>
<td>The key dates, including details of the Offer Period, are set out in the key dates on page 3 of this Prospectus. These key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company and the Lead Manager reserve the right to amend any or all of the times and dates of the Offer without notice subject to the ASX Listing Rules, the Corporations Act and other applicable laws, including closing the Offer early, extending the Offer, deferring the date of Completion of the Offer, accepting late Applications either generally or in particular cases, allotting CDIs at different times to different Applicants, or to cancel or withdraw the Offer without prior notice. If the Offer is cancelled or withdrawn before the allocation and issue of CDIs to successful Applicants, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. No CDIs will be issued on the basis of this Prospectus later than the Expiry Date. The quotation and commencement of trading of the CDIs is subject to confirmation from ASX.</td>
</tr>
<tr>
<td>How much is to be raised under the Offer?</td>
<td>A$8 million is expected to be raised under the Offer.</td>
</tr>
<tr>
<td>Is the Offer underwritten?</td>
<td>The Offer is not underwritten.</td>
</tr>
<tr>
<td>Who is lead managing the Offer?</td>
<td>The Lead Manager is Sternship Advisers Pty Limited.</td>
</tr>
<tr>
<td>What is the minimum and maximum Application size under the Offer?</td>
<td>The minimum Application size under the:</td>
</tr>
<tr>
<td></td>
<td>• Broker Firm Offer is $2,000 of CDIs in aggregate. There is no maximum Application size under the Broker Firm Offer, however the Company reserves the right to reject any Application or to allocate to an Applicant a lesser number of CDIs than that applied for;</td>
</tr>
<tr>
<td></td>
<td>• Priority Offer is $2,000 of CDIs in aggregate. Priority Offer Applicants may apply for up to the value of CDIs indicated in their Priority Offer invitation. (if any); and</td>
</tr>
<tr>
<td></td>
<td>• General Offer is $2,000 of CDIs in aggregate. There is no maximum Application size under the General Offer, however the Company reserves the right to reject any Application or to allocate to an Applicant a lesser number of CDIs than that applied for. For more information, see Sections 7.7.3, 7.8.3 and 7.9.3.</td>
</tr>
<tr>
<td>What is the allocation policy?</td>
<td>The allocation of CDIs between the General Offer, Broker Firm Offer and Priority Offer will be determined by the Company, having regard to the allocation policies outlined in Sections 7.7.5, 7.8.5 and 7.9.5. In respect of the Broker Firm Offer, it is a matter for each Broker to determine how they will allocate CDIs among their eligible retail clients who participate in the Offer. The final allocation of CDIs under the Priority Offer will be determined by the Company, subject to the minimum allocation for Applicants under the Priority Offer. The final allocation of CDIs under the General Offer will be determined by the Company, subject to the minimum allocation for Applicants under the General Offer.</td>
</tr>
<tr>
<td>When will I receive confirmation that my Application has been successful?</td>
<td>It is expected that initial holding statements will be dispatched by standard post on or about Thursday 11 October 2018.</td>
</tr>
</tbody>
</table>
## SECTION 7. DETAILS OF THE OFFER

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Will the CDIs be quoted?</strong></td>
<td>The Company will apply to ASX within seven days of the Prospectus Date for its admission to the Official List, and quotation of CDIs by, ASX under the code ‘PIN’. Completion of the Offer is conditional on the ASX approving this application. If permission is not granted for the official quotation of the CDIs on ASX within three months after the Prospectus Date (or any later date permitted by law), the Offer may be withdrawn and all Application Monies received by the Company will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act. For more information, see Section 7.15.</td>
</tr>
<tr>
<td><strong>When are the CDIs expected to commence trading?</strong></td>
<td>It is expected that trading of the CDIs on ASX will commence on or about Tuesday 16 October 2018. It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial holding statement do so at their own risk. The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the PINCHme Group IPO Offer Information Line, by a Broker or otherwise.</td>
</tr>
<tr>
<td><strong>Are there any escrow arrangements?</strong></td>
<td>Yes, certain securities will be subject to mandatory and voluntary escrow arrangements for periods of up to 24 months from the date of Listing. Further details regarding the escrow arrangements are set out in Section 9.7.</td>
</tr>
<tr>
<td><strong>Has an ASIC relief or ASX waiver been obtained or been relied on?</strong></td>
<td>Yes. Further details regarding the ASX waivers sought or relied on by the Company are set out in Section 9.16.</td>
</tr>
<tr>
<td><strong>Are there any tax considerations?</strong></td>
<td>Refer to Section 9.11.</td>
</tr>
<tr>
<td><strong>Are there any brokerage, commission or stamp duty considerations?</strong></td>
<td>No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer. See Section 9.13 for details of various fees payable by the Company to the Lead Manager.</td>
</tr>
<tr>
<td><strong>What should you do with any enquiries?</strong></td>
<td>All enquiries in relation to this Prospectus should be directed to the PINCHme Group IPO Information Line on 1800 810 827 within Australia and +61 1800 810 827 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should consult with your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</td>
</tr>
</tbody>
</table>
7.7 Broker Firm Offer

7.7.1 Who may apply

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

7.7.2 How to apply

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

Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Broker Firm Offer Application Form. A copy of this Prospectus is also available to persons who are Australian residents in electronic form at the Offer website www.PINChmeIPOffer.com. Your Broker will act as your agent and it is your Broker’s responsibility to ensure that your Broker Firm Application Form and Application Monies are received before 5:00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

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

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

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

The Broker Firm Offer opens at 9:00am (Sydney time) on Friday 21 September 2018 and is expected to close at 5:00pm (Sydney time) on Friday 5 October 2018. The Company may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible after the Offer opens. Please contact your Broker for instructions.

7.7.3 Is there a minimum or maximum Application size?

The minimum Application size under the Broker Firm Offer is A$2,000 of CDIs in aggregate. There is no maximum Application size under the Broker Firm Offer, however the Company reserves the right not to accept Applications in the Broker Firm Offer that are from persons they believe may be Institutional Investors or reject or scale back any Applications (or aggregation of Applications) in the Broker Firm Offer which are for more than A$250,000 of CDIs. The Company also reserves the right to aggregate any Applications which they believe may be from the same person. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

7.7.4 How to pay

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

7.7.5 Broker Firm Offer allocation policy

The allocation of CDIs to Brokers will be determined by the Company. CDIs which are allocated to Brokers for allocation to their Australian retail resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate CDIs among their clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant CDIs.
SECTION 7. DETAILS OF THE OFFER

7.7.6 Application acceptance and Application Monies
Applicants in the Broker Firm Offer will be able to call the PINCHme Group IPO Offer Information Line on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays) to confirm their allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

However, if you sell CDIs before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the PINCHme Group IPO Offer Information Line or confirmed your allocation through the Broker from whom you received your allocation.

7.8 Priority Offer

7.8.1 Who can apply
The Priority Offer is open to selected investors nominated by the Company in eligible jurisdictions who have received a Priority Offer invitation to acquire CDIs under this Prospectus. If you are a Priority Offer Applicant, you will receive a personalised invitation to apply for CDIs in the Priority Offer. The Priority Offer is not open to persons who are in the United States or who are US Persons.

7.8.2 How to apply
If you have received a personalised invitation to apply for CDIs under the Priority Offer and you wish to apply for all or some of those CDIs, you must apply in accordance with the instructions provided in your personalised invitation to apply.

Recipients of the Priority Offer invitation should read the separate offer letter and this Prospectus carefully and in their entirety before deciding whether to apply under the Priority Offer. If you are unclear in relation to any matter or are uncertain as to whether CDIs are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

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

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form.

Applications must be received by no later than 5.00pm (Sydney time) on Friday 5 October 2018 and it is your responsibility to ensure that this occurs.

7.8.3 Is there a minimum or maximum Application size?
Applications under the Priority Offer must be for a minimum of A$2,000 worth of CDIs in aggregate. Your personalised invitation may indicate the maximum amount of CDIs that you may apply for.

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

When completing your BPAY® payment, please make sure to use the specific biller code and unique CRN provided to you or generated by the online Application Form. Application Monies paid via BPAY® must be received by the Share Registry by no later than 5.00pm (Sydney time) on Friday 5 October 2018 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company nor the Lead Manager take any responsibility for any failure to receive Application Monies or payment by BPAY® before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

7.8.5 What is the Priority Offer allocation policy?
The allocation of CDIs among Applicants in the Priority Offer will be determined by the Company. There is no assurance that any Applicant will be allocated any CDIs, or the number of CDIs for which the Applicant applied.
7.8.6  How do I confirm my allocation?
Applicants in the Priority Offer will be able to call the PINCHme Group IPO Offer Information Line on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays) to confirm their allocation.

However, if you sell CDIs before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the PINCHme Group IPO Offer Information Line.

7.9  General Offer

7.9.1  Who can apply?
The General Offer is open to retail investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons. Offers and acceptances in the General Offer are made under this Prospectus and are at the Offer Price per CDI.

7.9.2  How to apply
If you wish to apply for CDIs under the General Offer, you must apply in accordance with the instructions provided in the General Offer Application Form accompanying the electronic version of this Prospectus.

Applicants under the General Offer should read this Prospectus carefully and in its entirety before deciding whether to apply under the General Offer. If you are unclear in relation to any matter or are uncertain as to whether CDIs are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the General Offer, you must complete the online General Offer Application Form in accordance with the instructions provided on the Application Form and on the website containing the General Offer Application Form. A copy of this Prospectus is available in electronic form to persons who are Australian residents at the Offer website www.PINCHmeIPOoffer.com.

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

Applications must be received by no later than 5.00pm (Sydney time) on Friday 5 October 2018 and it is your responsibility to ensure that this occurs.

7.9.3  Is there a minimum or maximum Application size?
Applications under the General Offer must be for a minimum of A$2,000 worth of CDIs in aggregate.

7.9.4  How to pay
Applicants under the General Offer must pay their Application Monies by BPAY® in accordance with the instructions on the online General Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific biller code and unique CRN provided to you or generated by the online Application Form. Application Monies paid via BPAY® must be received by the Share Registry by no later than 5.00pm (Sydney time) on Friday 5 October 2018 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company nor the Lead Manager take any responsibility for any failure to receive Application Monies or payment by BPAY® before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

7.9.5  What is the General Offer allocation policy?
The allocation of CDIs among Applicants in the General Offer will be determined by the Company. There is no assurance that any Applicant will be allocated any CDIs, or the number of CDIs for which the Applicant applied.

7.9.6  How do I confirm my allocation?
Applicants in the General Offer will be able to call the PINCHme Group IPO Offer Information Line on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays) to confirm their allocation.

However, if you sell CDIs before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the PINCHme Group IPO Offer Information Line.
your holding from the PINCHme Group IPO Offer Information Line.

### 7.10 Acceptance of Applications under the Offer

An Application in the Offer is an offer by you to the Company to apply for CDIs in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

An Application may be accepted by the Company in respect of the full or a lesser number of CDIs specified in the Application Form (or the dollar value equivalent), without further notice to the Applicant. The Company reserves the right to decline any Application if it believes any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application.

The Company reserves the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Offer, or to waive or correct any errors made by the Applicant in completing their Application.

Successful Applicants in the Offer will be issued CDIs at the Offer Price. Acceptance of an Application will give rise to a binding contract, conditional on settlement and quotation of CDIs on ASX on an unconditional basis.

### 7.11 Application Monies

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

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

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

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

### 7.12 Acknowledgements of Applicants

By submitting an Application, each Applicant under the Offer acknowledges and agrees as follows:

- that the Applicant personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and read each document in full;
- that the Applicant has received and completed their Application Form in accordance with this Prospectus and the instructions on the Application Form;
- that all details provided and statements in their Application Form are complete and accurate and not misleading (including by omission);
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- that it has applied for the number of CDIs (or equivalent dollar amount) shown on the front of the Application Form;
- to being allocated and issued the number of CDIs applied for (or a lower number allocated in a way described in this Prospectus), or no CDIs at all;
- to become a member of the Company and to be bound by the terms of the Company’s Certificate of Incorporation and Bylaws, the terms of issue of the Shares underlying their CDIs and the terms and conditions of the Offer;
- that the Company and the Lead Manager and their respective officers or agents, are authorised to do anything on behalf of the Applicant(s) necessary for CDIs to be allocated to the Applicant(s), including to act on instructions received by the

98 PINCHme.com
Share Registry upon using the contact details in the Application Form;

- that the Company may not pay dividends, or that any dividends paid may not be franked;
- that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that CDIs are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- that the Applicant(s) is/are a resident of Australia (except as applicable to the General Offer and Priority Offer), or otherwise satisfies the requirements in Section 7.13;
- that the Offer may be withdrawn by the Company and/or may otherwise not proceed in the circumstances described in this Prospectus; and
- that if Listing does not occur for any reason, the Offer will not proceed.

By submitting an Application, each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

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

### 7.13 Restrictions on distribution

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

This Prospectus does not constitute an offer or invitation to apply for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered, sold, re-sold, pledged or transferred in the United States or to US Persons except in accordance with US Securities Act registration requirements or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable state securities law.

See Section 9.10 for further details regarding international offer restrictions.

### 7.14 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue of CDIs to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than applied or bid for.
7.15 ASX listing, registers and holding statements

7.15.1 Application to the ASX for listing of the Company and quotation of CDIs

The Company will apply within seven days of the Prospectus Date for admission to the Official List and quotation of the CDIs on the ASX. The Company's expected ASX code will be 'PIN'.

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

If permission is not granted for the official quotation of the CDIs on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

7.15.2 CHESS and issuer sponsored holdings

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

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the CDIs of a CDI Holder who is a participant in CHESS or a CDI Holder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other CDIs will be registered on the issuer sponsored sub-register.

Following Completion of the Offer, CDI Holders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of a CDI Holder’s Holder Identification Number (HIN) for CHESS holders or, where applicable, the Security holder Reference Number (SRN) of issuer sponsored holders.

CDI Holders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

CDI Holders will receive subsequent statements shortly after the end of the month in which there has been a change to their holding and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI Holder’s sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.
SECTION 8.

INVESTIGATING ACCOUNTANT’S REPORT
INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

INTRODUCTION
Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by PINCHme.com, Inc. ("PINCHme" or the "Company") to prepare this report for inclusion in the prospectus to be dated on or about 13 September 2018 (the "Prospectus") to be issued by the Company, in respect of the initial public offering of CHESS Depository Interests in the Company ("the Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an appropriate Australian Financial Services Licence (AFS Licence Number 247140) under the Corporations Act 2001 for the issue of this report. This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

SCOPE
Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following financial information of the Company:

Pro Forma Historical Financial Information
- the pro forma historical consolidated statement of operations and comprehensive loss for the years ended 31 December 2015, 31 December 2016, and 31 December 2017 which are included in Table 4.1 in Section 4.7 of the Prospectus;
- the pro forma historical consolidated statement of cash flows for the years ended 31 December 2015, 31 December 2016, and 31 December 2017 which are included in Table 4.8 in Section 4.8.3 of the Prospectus;
- the historical consolidated balance sheet as at 31 December 2017 which is included in Table 4.5 of Section 4.12 of the Prospectus; and
- the pro forma historical consolidated balance sheet as at 31 December 2017 which is included in Table 4.5 of Section 4.12 of the Prospectus.
(together the Pro Forma Historical Financial Information).

The Pro Forma Historical Financial Information has been derived from the audited consolidated financial statements of the Company and its controlled entities covering the financial years ended 31 December 2015, 31 December 2016, and 31 December 2017 and the pro forma adjustments applied to the audited historical financial information as described in Table 4.2 of Section 4.8 and Section 4.13 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared for inclusion in the Prospectus. The audited consolidated historical financial statements of the Company used as the basis for the Pro Forma Historical Financial Information were audited by EinsnerAmper LLP. in accordance with Auditing Standards applicable in the United States of America. The audit opinions issued to the Directors of PINCHme in respect of FY2015, FY2016 and FY2017 were unqualified but included an emphasis of matter in relation to going concern.

As described in Section 4.2 and 4.3 of the Prospectus the stated basis of preparation is the recognition and measurement principles contained in Generally Accepted Accounting Principles in the United States of America (“USGAAP”) and the Company’s adopted accounting policies applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4.3 of the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position, financial performance, or cash flows.

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 (Cth).

Forecast Financial Information
- the Statutory forecast consolidated statement of operations and comprehensive loss for the year ending 31 December 2018 which is included in Table 4.1 in Section 4.7 of the Prospectus;
- the statutory forecast consolidated statement of cash flows for the year ending 31 December 2018 which is included in Table 4.8 in Section 4.8.3 of the Prospectus;

(together the Statutory Forecast Financial Information).

- the Pro forma forecast consolidated statement of operations and comprehensive loss for the year ending 31 December 2018 which is included in Table 4.1 in Section 4.7 of the Prospectus;
- the Pro forma forecast consolidated statement of cash flows for the year ending 31 December 2018 which is included in Table 4.8 in Section 4.8.3 of the Prospectus;

(together the Pro forma Forecast Financial Information).

(The Statutory Forecast Financial Information and the Pro forma Forecast Financial Information together form the Forecast Financial Information)

The Directors’ best estimate assumptions underlying the Forecast Financial Information are described in Section 4.16 of the Prospectus. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles contained in USGAAP and the Company’s adopted accounting policies.
The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 31 December 2018. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors’ best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors’ best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in Section 5 of the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Table 4.11 of Section 4.13 of the Prospectus. The sensitivity analysis set out in Table 4.11 of Section 4.13 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

DIRECTORS’ RESPONSIBILITY
The Directors are responsible for:

- the preparation and presentation of the Pro Forma Historical Financial Information including the selection and determination of the pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY
Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.
A limited assurance engagement consists 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 a reasonable assurance engagement. Accordingly we will not express an audit opinion.

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.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

**Pro Forma Historical Financial Information**
- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Pro Forma Historical Financial Information from audited consolidated financial statements of the Company and its controlled entities covering the years ended 31 December 2015, 31 December 2016, and 31 December 2017;
- consideration of the appropriateness of the pro forma adjustments described in Table 4.2 of Section 4.8 and Section 4.13 of the Prospectus;
- enquiry of the Directors, management and others in relation to the Pro Forma Historical Financial Information;
- analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Pro Forma Historical Financial Information;

**Forecast Financial Information**
- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions used in the preparation of the Forecast Financial Information;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- consideration of the pro forma adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

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

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.
CONCLUSIONS

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 is not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Table Section 4.8 and Section 4.13 of the Prospectus.

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

i. the Directors’ best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information;

ii. in all material respects, the Statutory Forecast Financial Information:
   a. is not prepared on the basis of the Directors’ best estimate assumptions as described in Section 4.16 of the Prospectus;
   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in USGAAP; and

iii. the Statutory Forecast Financial Information itself is unreasonable.

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

i. the Directors’ best estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information;

ii. in all material respects, the Pro Forma Forecast Financial Information:
   a. is not prepared on the basis of the Directors’ best estimate assumptions as described in Section 4.16 of the Prospectus;
   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in USGAAP, applied to the Statutory Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred prior to 1 January 2018; and

iii. the Pro Forma Forecast Financial Information itself is unreasonable.

Restrictions on Use
Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.
Consent
Grant Thornton Corporate Finance Pty Limited has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability
The liability of Grant Thornton Corporate Finance Pty Limited is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Disclosure of Interest
Grant Thornton Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

[Signature]

Neil Cooke
Partner
Appendix A (Financial Services Guide)

This Financial Services Guide is dated 13 September 2018.

1 About us
Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by PINCHme.com Inc. (the “Company”) to provide general financial product advice in the form of an Independent Limited Assurance Report (the “Report”) in relation to the offer of CHESS Depository Interests in the Company (the “Offer”). This report is included in the prospectus dated on or about 13 September 2018 (the “Prospectus”). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide
This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide
Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice
The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or in relation to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and the member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licensees).
Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive
Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of the Report, Grant Thornton Corporate Finance will receive from the Company a fee of A$275,000 excluding GST which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receives non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals
Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products
Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Complaints
Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint.

If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287
Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

9 Compensation arrangements
Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

10 Contact Details
Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000
SECTION 9.

ADDITIONAL INFORMATION
SECTION 9.

ADDITIONAL INFORMATION

9.1 Incorporation
The Company was incorporated on 19 October 2012 in Delaware, United States. The Company was registered as a foreign company under the Corporations Act on 20 July 2018.

9.2 Group structure
The Group comprises the Company, which is the parent company and key operating company of the Group and the following wholly owned subsidiaries:

- Broadway&Houston IP Pty Limited (Australian Proprietary Company Limited by Shares, ACN 150 996 713);
- Broadway&Houston Group Pty Limited (Australian Proprietary Company Limited by Shares, ACN 159 464 758);
- Broadway&Houston Australia Pty Limited (Australian Proprietary Company Limited by Shares, ACN 155 902 891); and
- PINCHme Limited (registered in United Kingdom, Number 8287288).

As at the date of the Prospectus, the Group does not operate business in Australia or the United Kingdom.

9.3 Capital and ownership structure

9.3.1 Capital structure
The Company currently has Shares on issue as well as Convertible Notes, which convert to CDIs in aggregate outstanding amount of approximately A$30.2 million. The Company’s wholly owned Australian subsidiary Broadway&Houston Group Pty Limited currently has interest free Shareholder Loans on issue in aggregate outstanding amount of approximately A$3.5 million. On Completion, the Convertible Notes and the Shareholder Loans will convert into Shares of the Company in accordance with their terms, and the terms of the Implementation Agreement.

The following table sets out the Company’s indicative capital structure immediately prior to and immediately following Completion of the Offer:

<table>
<thead>
<tr>
<th></th>
<th>Immediately prior to Offer</th>
<th>Immediately following Offer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares</td>
<td>Number of Shares</td>
<td>CDI equivalent</td>
</tr>
<tr>
<td>Shares held by Existing Holders¹</td>
<td>89,273</td>
<td>89,273</td>
<td>31,691,915</td>
</tr>
<tr>
<td>Number of Shares to be issued on conversion of existing:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Convertible Notes and accrued interest</td>
<td>176,019</td>
<td>176,019</td>
<td>62,486,745</td>
</tr>
<tr>
<td>• Shareholder Loans</td>
<td>19,474</td>
<td>19,474</td>
<td>6,913,270</td>
</tr>
<tr>
<td>Shares to be issued under the Offer</td>
<td>-</td>
<td>45,070</td>
<td>15,999,850</td>
</tr>
<tr>
<td>Total</td>
<td><strong>284,766</strong></td>
<td><strong>329,836</strong></td>
<td><strong>117,091,780</strong></td>
</tr>
</tbody>
</table>

1. Does not include Shares which the Existing Holders may subscribe for under the Offer, nor does it include Shares which will be issued to certain Existing Holders on conversion of the Shareholder Loans and Convertible Notes, which is separately dealt with in this table.

2. Percentage holding on a fully diluted basis has been calculated as if all of the Options on issue had been exercised in accordance with their terms. Options have been issued at varying exercise prices. Refer to Section 9.3.3 for further detail regarding the Options.
### Ownership structure

The following table sets out the Company’s ownership structure immediately prior to and immediately following Completion of the Offer:

<table>
<thead>
<tr>
<th>Holder1</th>
<th>Immediately prior to Offer1</th>
<th>Immediately following Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>% of Shares</td>
</tr>
<tr>
<td>Jeremy Reid2</td>
<td>32,127</td>
<td>11.3%</td>
</tr>
<tr>
<td>Adam Caplan</td>
<td>10,446</td>
<td>3.7%</td>
</tr>
<tr>
<td>Wal Pisciotta3</td>
<td>38,370</td>
<td>13.5%</td>
</tr>
<tr>
<td>Michael Seder4</td>
<td>3,029</td>
<td>1.1%</td>
</tr>
<tr>
<td>LJCB Holdings Pty Ltd</td>
<td>41,169</td>
<td>14.5%</td>
</tr>
<tr>
<td>Yaselleraph Finance Pty Ltd5</td>
<td>7,392</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other Existing Holders</td>
<td>152,233</td>
<td>53.5%</td>
</tr>
<tr>
<td><strong>Total Existing Holders6</strong></td>
<td>284,766</td>
<td>100.0%</td>
</tr>
<tr>
<td>New Shareholders</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>284,766</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

1. Assumes that the conversion of the Shareholder Loans and Convertible Notes has occurred.
2. Jeremy Reid’s holdings are held through Bedford International Pty Ltd and Indigo International Pty Ltd.
3. Wal Pisciotta’s holdings are held through Rainbow End Investments Pty Ltd, Rainbow TJP Superannuation Fund, Rainbow LCP Superannuation Fund and Rainbow LOZ Superannuation Fund.
4. Michael Seder’s holdings are held through Kimik Nominees Pty Ltd.
5. Yaselleraph Finance Pty Ltd is the trustee for the Yaselleraph Finance Trust.
6. Does not include Shares which Existing Holders may subscribe for under the Offer.
7. Percentage holding on a fully diluted basis has been calculated as if all of the Options on issue had been exercised in accordance with their terms. Options have been issued at varying exercise prices. Refer to Section 9.3.3 for further detail regarding the Options.

Section 9.7 sets out information on the number of securities to be held on Completion of the Offer that will be subject to escrow arrangements, and further details about those escrow arrangements.
### 9.3.3 Options

On Completion of the Offer, the Company will have on issue the following Options over Shares, issued under the Equity Incentive Plan:

<table>
<thead>
<tr>
<th>Optionholder</th>
<th>Options</th>
<th>Equivalent CDIs</th>
<th>Share exercise price (A$)</th>
<th>Equivalent CDI exercise price (A$)</th>
<th>Vesting conditions</th>
<th>Grant date</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board of Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Completion of the offer.</td>
<td>Ten years from the grant date.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeremy Reid</td>
<td>14,085</td>
<td>5,000,000</td>
<td>2,817 at $213.00</td>
<td>1,000,000 at $0.60</td>
<td>25% of each Option series vest after twelve (12) months from the date of issuance and remaining 75% of each Option series vest on a pro rata basis each month thereafter for the following thirty-six (36) months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5,634 at $355.00</td>
<td>2,000,000 at $1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5,634 at $532.50</td>
<td>2,000,000 at $1.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ten years from the grant date.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adam Caplan</td>
<td>2,817</td>
<td>1,000,000</td>
<td>563 at $213.00</td>
<td>200,000 at $0.60</td>
<td>25% of each Option series vest after twelve (12) months from the date of issuance and remaining 75% of each Option series vest on a pro rata basis each month thereafter for the following thirty-six (36) months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,127 at $355.00</td>
<td>400,000 at $1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,127 at $532.50</td>
<td>400,000 at $1.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giles Craig</td>
<td>212</td>
<td>75,000</td>
<td>106 at $213.00</td>
<td>37,500 at $0.60</td>
<td>Completion of the offer.</td>
<td>Ten years from the grant date.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>106 at $355.00</td>
<td>37,500 at $1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Seder</td>
<td>212</td>
<td>75,000</td>
<td>106 at $213.00</td>
<td>37,500 at $0.60</td>
<td>Completion of the offer.</td>
<td>Ten years from the grant date.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>106 at $355.00</td>
<td>37,500 at $1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wal Pisciotta</td>
<td>423</td>
<td>150,000</td>
<td>$177.50</td>
<td>$0.50</td>
<td>25% of Options vest after twelve (12) months from the date of issuance and remaining 75% of Options vest on a pro rata basis each month thereafter for the following thirty-six (36) months.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Optionholder | Options¹ | Equivalent CDIs | Share exercise price (A$)² | Equivalent CDI exercise price (A$) | Vesting conditions | Grant date | Expiry date
--- | --- | --- | --- | --- | --- | --- | ---
CJ Billangino | 1,408 | 500,000 | $177.50 | $0.50 | 25% of Options vesting after twelve (12) months from the date of issuance and remaining 75% of Options vesting on a pro rata basis each month thereafter for the following thirty-six (36) months. | Completion of the Offer. | Ten years from the grant date.
Mark Oreta | 563 | 200,000 | $177.50 | $0.50 | Completion of the Offer. | Ten years from the grant date.
Daniel Bornstein | 563 | 200,000 | $177.50 | $0.50 | Completion of the Offer. | Ten years from the grant date.
Other Employees³
Other employees | 3,794 | 1,350,000 | 1,897 at $213.00 | 675,000 at $0.60 | 25% of Options vesting after twelve (12) months from the date of issuance and remaining 75% of Options vesting on a pro rata basis each month thereafter for the following thirty-six (36) months. | Completion of the Offer. | Ten years from the grant date.

Note:
1. Options have been granted over Shares. Each Option entitles to the holder to subscribe for one Share. The CDI equivalent is shown for convenience only.
2. The exercise price per Option is the amount payable per Share on exercise of the Option.
3. Includes Options issued to Tammi Reid, a related party of the Company. Tammi Reid has been granted 56 Options at an exercise price of $213.00 and 56 Options at an exercise price of $355.00 on the terms set out in this table.

In addition, the Board has determined to grant LJCB Holdings Pty Ltd, an Existing Holder in the Company, and Dean Kavanagh the following Options, in consideration for services that LJCB Holdings Pty Ltd and Dean Kavanagh have provided to the Company prior to the Offer.

Optionholder | Options | Equivalent CDIs | Share exercise price (A$)³ | Equivalent CDI exercise price (A$) | Exercise conditions | Grant date | Expiry date
--- | --- | --- | --- | --- | --- | --- | ---
LJCB Holdings Pty Ltd | 2,028 | 720,000 | $177.50 | $0.50 | Options are exercisable one (1) year from the date of issuance. | Completion of the Offer. | Ten years from the date of issuance.
Dean Kavanagh | 282 | 100,000 | $213.00 | $0.60 | Options are exercisable one (1) year from the date of issuance. | Completion of the Offer. | Ten years from the date of issuance.

1. Options have been granted over Shares. Each Option entitles to the holder to subscribe for one Share. The CDI equivalent is shown for convenience only.
2. The exercise price per Option is the amount payable per Share on exercise of the Option.

In addition to the above terms, the terms of these Options provide the Board discretion to accelerate the exercisability of the Options in the event of a change in control of the Company (such as a merger or consolidation involving a transfer to non-stockholders of more than 50% of the voting power of the Company’s outstanding securities, a sale of all or substantially all of the Company’s assets or a liquidation or dissolution of the Company).
### 9.4 Depositary Interests (CDIs)
Details of CDIs and the key difference between holding CDIs and holding the underlying Shares is detailed below:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What are CDIs?</strong></td>
<td>In order for the Shares to trade electronically on the ASX, the Company intends to participate in the electronic transfer system known as CHESS, which is operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the US. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, the Company intends to issue (through an Australian depositary nominee) depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI Holder, with the legal title to such Shares being held by an Australian depositary nominee.</td>
</tr>
<tr>
<td><strong>Who is the depositary nominee and what do they do?</strong></td>
<td>The Company will appoint CDN, a subsidiary of the ASX, and an approved general participant of ASX Settlement, to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of CDI Holders. CDN will receive no fees for acting as the depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant.</td>
</tr>
<tr>
<td><strong>What registers will be maintained recording your interests?</strong></td>
<td>The Company will operate a certificated principal register of Shares in the US, and an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESS sub-register of CDIs in Australia. The Company’s uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs will be maintained by the Share Registry. The branch register is the register of legal title (and will reflect legal ownership by CDN of the Shares underlying the CDIs with the Shares held by CDN recorded on the branch register of Shares in Australia). The two uncertificated sub-registers of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs.</td>
</tr>
<tr>
<td><strong>How is local and international trading in CDIs effected?</strong></td>
<td>CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.</td>
</tr>
<tr>
<td><strong>What is the CDI: Share ratio?</strong></td>
<td>355 CDIs will represent an interest in one Share.</td>
</tr>
<tr>
<td><strong>What will Applicants receive on acceptance of their Applications?</strong></td>
<td>Successful Applicants will receive a holding statement which sets out the number of CDIs held by the CDI Holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.</td>
</tr>
<tr>
<td><strong>How do CDI Holders convert from a CDI holding to a direct holding of Shares on the US principal register?</strong></td>
<td>CDI Holders who wish to convert their ASX listed CDIs to Shares to be held on the US register can do so by instructing the Company’s Share Registry either: • directly in the case of CDIs on the issuer sponsored sub-register operated by the Company. CDI Holders will be provided with a form entitled “Register Removal Request” for completion and return to the Company’s Share Registry; or • through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Company’s Share Registry.</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>How do CDI Holders convert from a CDI holding to a direct holding of Shares on the US principal register?</strong>&lt;br&gt;continued</td>
<td>The Company’s Share Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new share certificate will be issued. This will cause the Shares to be registered in the name of the holder on the Company’s share register and trading on ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any market in the US. The Company’s Share Registry will not charge an individual security holder or PINCHme a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Share Registry is in receipt of a duly completed and valid removal request form. However, no guarantee can be given about the time for this conversion to take place. If Shareholders wish to convert their holdings to CDIs, they can do so by contacting the Company’s Share Registry. The Company’s Share Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants).</td>
</tr>
<tr>
<td><strong>What are the voting rights of a CDI Holder?</strong></td>
<td>If CDI Holders wish to attend and vote at the Company’s general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant US law at the time of the meeting prevents CDI Holders from attending those meetings. In order to vote at such meetings, CDI Holders have the following options: a. instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company’s Share Registry prior to the meeting; or b. informing the Company that they wish to nominate themselves or another person to be appointed as CDN’s proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or c. converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI Holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process. As CDI Holders will not appear on the Company’s share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken. As each CDI represents 1/355 of a Share, a CDI Holder will be entitled to one vote for every 355 CDIs they hold. Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI Holders by PINCHme. These voting rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act of 1934, as amended (US Exchange Act) or the Delaware General Corporation Law. Since CDN is the legal holder of applicable shares but the CDI Holders are not themselves the legal holder of their applicable shares, the CDI Holders do not have any directly enforceable rights under the Company’s Bylaws or Certificate of Incorporation.</td>
</tr>
</tbody>
</table>
### What dividend and other distribution entitlements do CDI Holders have?

Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI Holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, including dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the US Exchange Act or the Delaware General Corporation Law.

It is possible that marginal differences may exist between the resulting entitlement of a CDI Holder and the entitlements that would have accrued if a CDI Holder held their holding directly as Shares. As the ratio of CDIs to Shares is not one-to-one and any entitlement will be determined on the basis of Shares rather than CDIs, a CDI Holder may not always benefit to the same extent, for example from the rounding up of fractional entitlements. The Company is required by the ASX Settlement Operating Rules to minimise any such differences where legally permissible.

Whilst the Company does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, the Company will declare any dividends in US$ as that is its main functional currency. In that event, the Company will pay any dividends in US$ or A$ depending on the country of residence of the CDI Holder. If the CDI Holder in Australia wishes to receive dividends in US$ they must complete an appropriate election form and return it to the Company’s Share Registry, no later than the close of business on the dividend record date.

### What corporate action entitlement (such as rights issues and bonus issues) do CDI Holders have?

CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.

It is possible that marginal differences may exist between the resulting entitlement of a CDI Holder and the entitlements that would have accrued if a CDI Holder held their holding directly as Shares. As the ratio of CDIs to Shares is not one-to-one and any entitlement will be determined on the basis of Shares rather than CDIs, a CDI Holder may not always benefit to the same extent, for example from the rounding up of fractional entitlements. The Company is required by the ASX Settlement Operating Rules to minimise any such differences where legally permissible.

### What rights do CDI Holders have in the event of a takeover?

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI Holder if such CDI Holder instructs CDN to do so. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.

### What notices and announcement will CDI Holders receive?

CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.

### What rights do CDI Holders have on liquidation or winding up?

In the event of the Company’s liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as Shareholders. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.

### Will CDI Holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?

A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.
### 9.5 Certificate of Incorporation, Bylaws and rights attaching to Shares

A summary of the Company’s share capital and provisions of its Certificate of Incorporation and Bylaws is set out below. This summary is not intended to be exhaustive.

#### 9.5.1 General description of share capital

**Shares** - The Company is authorised to issue 500,000 Shares, par value of US$0.01 per Share, designated “Common Stock.”

**Options** - The Company has reserved an aggregate of 35,000 Shares for issuance under its Equity Incentive Plan.

#### 9.5.2 Voting

At a meeting of the Company’s Shareholders, every Shareholder present in person or by proxy is entitled to one vote for each Share standing in such Shareholder’s name on the books of the Company and held on the record date for the meeting on all matters submitted to a vote of Shareholders.

#### 9.5.3 Dividends

Shareholders shall be entitled to receive, when, as and if declared by the Board, out of any assets of the Company legally available, any dividends as may be declared from time to time by the Board.

#### 9.5.4 Rights attaching to Shares

Shareholders have no preferences of rights of conversion, exchange, pre-emption or other subscription rights.

#### 9.5.5 Anti-takeover provisions of Delaware Law, Certificate of Incorporation and Bylaws

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e. substantial holders and takeovers).

Provisions of the DGCL, the Company’s Certificate of Incorporation and the Company’s Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (summarised below) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

**Delaware anti-takeover statute** - Subject to certain exceptions, the DGCL prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested shareholder” for a period of three years following the time the person became an interested shareholder, unless certain conditions are not met, e.g. the business combination or the acquisition of shares that resulted in the stockholder becoming an interested shareholder is approved in a prescribed manner. A “business combination” can include a merger, asset or share sale or other transaction resulting in financial benefit to an interested shareholder. Generally, an interested shareholder is a person who, (i) is the owner of 15% or more of the outstanding voting shares of the corporation or (ii) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting shares of the corporation at any time within the three year period prior to the determination of interested shareholder status, and the affiliates and associates of such person. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the Shares held by Shareholders.
SECTION 9. ADDITIONAL INFORMATION

Removal of directors – The Company’s Bylaws provide that at any meeting of Shareholders duly called and held for such purpose, any or all of the Directors may be removed from office with or without cause by the holders of a majority of the Company’s Shares entitled to vote at such meeting.

Amendment – The Company’s Bylaws provide that, subject to the Certificate of Incorporation, the Bylaws may be altered, amended or repealed or new by laws may be adopted by the Shareholders or the board of directors, at any regular meeting of the Shareholders or the Board of Directors, or at any special meeting of the Shareholders or the Board of Directors if notice of such alteration, amendment or repeal of the by laws or of adoption of new by laws is contained in the notice of the meeting.

The Company’s Certificate of Incorporation provides that the Company’s Bylaws may be made, altered, or repealed by the Board, provided that any bylaws made or altered by the Board may be amended or repealed, and any bylaws may be made, by the Shareholders of the Company.

Size of the Board and Board Vacancies – The number of directors may be fixed from time to time by vote of the Shareholders or of the Board of Directors, at any regular or special meeting, subject to the provisions of the Certificate of Incorporation. Any vacancy in the office of a Director occurring for any reason other than the removal of a director by Shareholders, and any newly created directorship resulting from any increase in the authorized number of Directors, may be filled by a majority of the Directors then in office or by a sole remaining Director. Directors so chosen or elected shall hold office until the next annual meeting of Shareholders or until their respective successors are duly elected and qualified.

Special stockholder meetings – The Company’s Bylaws provide that special meetings of Shareholders may be called, according to the applicable law, by the Board, the Chairperson of the Board, the Chief Executive Officer, the President, and the Shareholders of the Company that are entitled to cast not less than ten percent (10%) of the total number of votes entitled to be cast by all Shareholders at such meeting.

Requirements for advance notification of stockholder nominations and proposals – The Company’s Bylaws establish advance notice procedures with respect to nomination of candidates for election as Directors and other business to be properly brought before an annual stockholder meeting.

Authorised but unissued shares – Subject to the limitation on the issue of securities under the Listing Rules and DGCL, the Company’s authorised but unissued Shares will be available for future issue without stockholder approval. The Company may use additional Shares for a variety of purposes, including future offerings to raise additional capital, to fund acquisitions and as employee compensation.

9.5.6 Appendix 15A of the ASX Listing Rules
The Bylaws contain the provisions required by Appendix 15A of the ASX Listing Rules, which effectively provide that, for such time as the Company is admitted to the Official List, the following shall apply, to the extent not contrary to the DGCL or the Certificate of Incorporation (i) if the Listing Rules prohibit an act being done, the Company shall not have the power or authority to take such act, (ii) nothing contained in the Bylaws shall prevent an act being done that the Listing Rules require to be done, (iii) if the Listing Rules require an act to be done or not to be done, the Board of Directors and each officer of the Company shall have authority to cause such act to be done or not to be done (as the case may be), (iv) if the Listing Rules require the Bylaws to contain a provision and the Bylaws do not contain such provision, the Bylaws shall be deemed to contain such provision, (v) if the Listing Rules require these Bylaws not to contain any provision otherwise contained therein, such provision shall be deemed to be excluded from such document, and (vi) if any provision of the Bylaws is or becomes inconsistent with the Listing Rules, such inconsistency shall not affect the validity or enforceability of any other provision of the Bylaws, and the Bylaws shall not contain that provision to the extent of the inconsistency.

9.5.7 Restricted securities
The Bylaws also provide the Company with power to refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period under an escrow agreement, except as permitted by the ASX or the Listing Rules. During a breach of the ASX Listing Rules relating to restricted securities, or a breach of an escrow agreement, the holder of the restricted securities will not be entitled to any dividend or distribution, or voting rights, in respect of the restricted securities. Refer to Section 9.7 below for details of such restricted securities and applicable escrow arrangements.
9.6 Comparison of laws governing the Company as a US company with laws governing Australian publicly listed companies generally

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and applicable US Law. The following table provides a comparison of the laws governing the Company as a US company, with the laws governing Australian publicly listed companies generally. Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

<table>
<thead>
<tr>
<th>Delaware Law and US Federal Law</th>
<th>Australian Law</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactions that require Shareholder approval</strong></td>
<td><strong>Under the Corporations Act, the principal transactions or actions requiring Shareholder approval include:</strong></td>
</tr>
<tr>
<td>The DGCL and the Company’s Certificate of Incorporation and Bylaws generally govern the type of transactions that require Shareholder approval. Generally, the following types of transactions will require shareholder approval:</td>
<td>• adopting or altering the constitution of the company;</td>
</tr>
<tr>
<td>• amendment to the Certificate of Incorporation; and</td>
<td>• appointing or removing a director or auditor;</td>
</tr>
<tr>
<td>• material corporate transactions such as a merger or acquisition, the sale of all or substantially all of the Company’s assets, or the dissolution of the Company.</td>
<td>• certain transactions with related parties of the company;</td>
</tr>
<tr>
<td>Under the Company’s Bylaws, the amendment of the Bylaws requires the affirmative vote of either the holders of a majority of the Shares entitled to vote on such matter or a majority of the Board.</td>
<td>• putting the company into liquidation; and</td>
</tr>
<tr>
<td></td>
<td>• changes to the rights attached to shares.</td>
</tr>
<tr>
<td><strong>Shareholders’ right to request or requisition a general meeting</strong></td>
<td>Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).</td>
</tr>
<tr>
<td>Pursuant to the Company’s Bylaws, special meetings of the Company’s Shareholders may be called, for any purpose as is a proper matter for stockholder action under the DGCL, by (i) the president, (ii) the CEO, (iii) the board pursuant to a resolution adopted by a majority of the total number of authorised directors, or (iv) at the request in writing of Shareholders owning not less than 10% of the capital stock of the Company issued and outstanding and entitled to vote.</td>
<td>Under the ASX Listing Rules, shareholder approval is required for matters including:</td>
</tr>
<tr>
<td></td>
<td>• increases in the total amount of directors’ fees;</td>
</tr>
<tr>
<td></td>
<td>• directors’ termination benefits in certain circumstances;</td>
</tr>
<tr>
<td></td>
<td>• certain transactions with related parties;</td>
</tr>
<tr>
<td></td>
<td>• certain issues of shares; and</td>
</tr>
<tr>
<td></td>
<td>• if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.</td>
</tr>
</tbody>
</table>

121
<table>
<thead>
<tr>
<th>Delaware Law and US Federal Law</th>
<th>Australian Law</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders’ right to appoint proxies to attend and vote at meetings on their behalf</strong></td>
<td>The position is comparable under the Corporations Act with respect to the appointment of proxies.</td>
</tr>
<tr>
<td>Unless otherwise provided by law or the Certificate of Incorporation, at a meeting of the Company’s Shareholders, every holder of shares of common stock present in person or by proxy is entitled to one vote for each share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Except as otherwise provided by laws of the State of Delaware, under the Company’s Bylaws, the presence at the meeting (in person, by remote communication or represented by proxy) of the holders of at least one third of the issued and outstanding Shares of stock entitled to vote will constitute a quorum for the transaction of business. Except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the Shareholders. Directors will be elected at the annual meeting by a majority of the votes of the Shares (present at a quorum, either in person or represented by proxy at the meeting) entitled to vote on the election of Directors.</td>
<td></td>
</tr>
<tr>
<td><strong>Changes in the rights attaching to shares</strong></td>
<td>The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: • a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or • a written consent of members with at least 75% of the votes in the class.</td>
</tr>
<tr>
<td>The DGCL allows a majority of the shares of a class or series of shares, or such other number of shares as set out in a company’s certificate of incorporation, to amend the rights attaching to such class or series (as applicable) of shares. Under the Company’s Certificate of Incorporation the rights of the Shares may be amended by a majority of the shares entitled to vote.</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholder protections against oppressive conduct</strong></td>
<td>Delaware law does not allow a shareholder to bring legal action for oppressive or unfair conduct of the corporation’s affairs per se but does offer relief for minority stockholder oppression. Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company’s affairs and the court can make any order as it sees appropriate.</td>
</tr>
</tbody>
</table>
## Delaware Law and US Federal Law

**Shareholders’ rights to bring or intervene in legal proceedings on behalf of the company**

Under the DGCL, a stockholder may bring a derivative action on behalf of the corporation where those in control of the corporation have failed to assert a claim belonging to the corporation. A shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff has been a stockholder of the corporation at the time of the act of which the plaintiff complains and a requirement that the plaintiff maintain his or her status as a shareholder throughout the course of the litigation.

A derivative plaintiff must also have made a demand on the directors of the corporation to assert the corporate claim, unless such a demand would have been futile.

## Australian Law

The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.

The court must grant the application if it is satisfied that:

- it is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of the company that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave.

The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.

## “Two strikes” rule in relation to remuneration reports

The “Two strikes” rule in relation to remuneration reports would not apply to the Company unless it were to become a ‘reporting company’ under the US Exchange Act. In the US, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (U.S.) requires all ‘reporting companies’ to have an advisory shareholder vote on pay at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year.

The Company would become a reporting company under the US Exchange Act if, among other things, it voluntarily lists any of its securities on a US national securities exchange or has (i) assets of more than US$10m and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not ‘accredited investors’ as defined in Rule 501 of Regulation D of the US Securities Act.

The Corporations Act requires that a company’s annual report must include a report by the directors on the company’s remuneration framework (called a remuneration report).

A resolution must be put to shareholders at each annual general meeting of the company’s shareholders (“AGM”) seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of shareholders vote against the remuneration report at two consecutive AGMs (i.e. two strikes), an ordinary (50%) resolution must be put to shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the directors who approved the second remuneration report must resign and stand for re-election.
Disclosure of substantial holdings

The rules for disclosure of substantial holdings under the US Exchange Act would not apply to the Company unless it were to become a ‘reporting company’ as discussed above.

If the Company becomes a ‘reporting company’, Section 16(a) of the US Exchange Act requires the reporting of beneficial ownership of such company’s equity securities by (i) directors; (ii) officers and (iii) stockholders owning more than 10% of the Company’s common stock.

In addition, if the Company becomes a ‘reporting company’, the US Exchange Act requires every person (or group of persons) who acquires beneficial ownership of 5% or more of such company’s equity securities to disclose:

- how many securities are beneficially owned by the filing person;
- whether there is a movement of at least 1% in their beneficial ownership; and
- whether they have intent to control or influence control of the company.

How takeovers are regulated?

The acquisition of securities in the Company is subject to the DGCL and applicable US securities laws. As a Delaware corporation, the Company is subject to section 203 of DGCL, which generally prohibits a Delaware corporation from engaging in any business combinations with any stockholder who owns, or at any time in the last three years owned, 15% or more of the company’s outstanding voting stock (referred to as an “interested stockholder”), for a period of three years following the date on which the stockholder became an interested stockholder, subject to certain exceptions.

In addition, under DGCL, the Board will have the ability to implement a broader range of takeover defence mechanisms.

The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person’s voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Exceptions to the prohibition apply (e.g. acquisitions with shareholder approval, 3% creep over 6 months and rights issues that satisfy prescribed conditions).

Substantial holder notice requirements apply (as discussed above under the heading “Disclosure of substantial holdings”).

Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company.

The Australian takeovers regime will not apply to PINCHme as a foreign company.
9.7 Escrow arrangements

On Completion, a number of Existing Holders will be restricted from dealing in their Shares (including in the form of CDIs) and Options (as relevant). These restrictions are either imposed by the ASX or have been agreed to voluntarily.

With respect to ASX imposed restrictions, the ASX Listing Rules require that certain persons or entities such as seed capitalists, promoters and related parties enter into restriction agreements under which they are restricted from dealing in a specified number of their securities for up to 24 months from the date of the Company’s admission to the Official List. The restriction agreements will be in the form required by the ASX Listing Rules over such number of Shares (including in the form of CDIs) and Options and for such period of time as determined by the ASX or, in the case of voluntary escrow arrangements, for such period of time as agreed with the Existing Holder. The restriction agreements restrict the ability of the holder of such securities from disposing of, creating any security interest in, or transferring effective ownership or control of, such Shares (including in the form of CDIs) and Options (as relevant). ASX may consent to the removal of the restrictions, subject to the satisfaction of certain conditions, to enable a holder of escrowed securities to accept an offer under a takeover bid, or enable the escrowed securities to be transferred or cancelled as part of a merger by way of scheme of arrangement.

With respect to voluntary restrictions, a number of Existing Holders have also agreed to voluntary restrictions for a specific period of time on similar terms to the ASX imposed restrictions.

The table below sets out the periods during which certain Existing Holders are restricted from dealing in their securities pursuant to ASX restrictions and voluntary restrictions.

<table>
<thead>
<tr>
<th>Escrowed party</th>
<th>Type of escrow arrangement</th>
<th>Escrow period</th>
<th>Shares held in escrow</th>
<th>Equivalent number of CDIs</th>
<th>Options held in escrow</th>
<th>Equivalent number of CDIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeremy Reid⁴</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>32,127</td>
<td>11,405,085</td>
<td>14,085</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Adam Caplan</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>10,446</td>
<td>3,708,330</td>
<td>2,817</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Wal Pisciotta⁵</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>19,185</td>
<td>6,810,675</td>
<td>212</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>Voluntary</td>
<td>Until the release to ASX of the Company’s full year FY2018 financial results</td>
<td>19,185</td>
<td>6,810,675</td>
<td>212</td>
<td>75,000</td>
</tr>
<tr>
<td>Michael Seder⁶</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>1,515</td>
<td>537,825</td>
<td>106</td>
<td>37,500</td>
</tr>
<tr>
<td></td>
<td>Voluntary</td>
<td>Until the release to ASX of the Company’s full year FY2018 financial results</td>
<td>1,514</td>
<td>537,470</td>
<td>106</td>
<td>37,500</td>
</tr>
<tr>
<td>Giles Craig</td>
<td>Voluntary</td>
<td>24 months from Listing</td>
<td>–</td>
<td>–</td>
<td>106</td>
<td>37,500</td>
</tr>
<tr>
<td></td>
<td>Voluntary</td>
<td>Until the release to ASX of the Company’s full year FY2018 financial results</td>
<td>–</td>
<td>–</td>
<td>106</td>
<td>37,500</td>
</tr>
</tbody>
</table>
## SECTION 9. ADDITIONAL INFORMATION

<table>
<thead>
<tr>
<th>Escrowed party</th>
<th>Type of escrow arrangement</th>
<th>Escrow period</th>
<th>Shares held in escrow</th>
<th>Equivalent number of CDIs</th>
<th>Options held in escrow</th>
<th>Equivalent number of CDIs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other Existing Holders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LJCB Holdings Pty Ltd</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>20,585</td>
<td>7,307,675</td>
<td>1,014</td>
<td>360,000</td>
</tr>
<tr>
<td></td>
<td>Voluntary</td>
<td>Until the release to ASX of the Company’s full year FY2018 financial results</td>
<td>20,584</td>
<td>7,307,320</td>
<td>1,014</td>
<td>360,000</td>
</tr>
<tr>
<td>Yaselleraph Finance Pty Ltd</td>
<td>ASX imposed/Voluntary</td>
<td>24 months from Listing</td>
<td>3,696</td>
<td>1,312,080</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Voluntary</td>
<td>Until the release to ASX of the Company’s full year FY2018 financial results</td>
<td>3,696</td>
<td>1,312,080</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other Existing Holders who are related parties, promoters or consultants of the Company</td>
<td>ASX imposed</td>
<td>24 months from Listing</td>
<td>86</td>
<td>30,530</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other Existing Holders who are not related parties or promoters of the Company</td>
<td>ASX imposed</td>
<td>12 months from relevant issue date (ending between November 2018 and October 2019)</td>
<td>4,533</td>
<td>1,609,215</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>137,152</strong></td>
<td><strong>48,688,960</strong></td>
<td><strong>19,777</strong></td>
<td><strong>7,020,000</strong></td>
</tr>
</tbody>
</table>

Notes:
1. The ASX will make the final determination of the mandatory escrow to be applied to CDIs, Shares and Options, which may be different from that set out in this Prospectus.
2. Assumes that the conversion of the Shareholder Loans and Convertible Notes have occurred on Completion.
3. Assumes the Options are converted on a one for one basis to Shares.
4. Jeremy Reid’s holdings are held through Bedford International Pty Ltd and Indigo International Pty Ltd.
5. Wal Pisciotta’s holdings are held through Rainbow End Investments Pty Ltd, Rainbow TJP Superannuation Fund, Rainbow LCP Superannuation Fund and Rainbow LOZ Superannuation Fund.
6. Michael Seder’s holdings are held through Kimik Nominees Pty Ltd.
7. Yaselleraph Finance Pty Ltd is the trustee for the Yaselleraph Finance Trust.
9.8 Material contracts

The Board considers that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section 9.8 contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus. Summaries are included for information only, do not purport to be complete and are qualified by the text of the contracts themselves.

9.8.1 Master Services Agreements

PINCHme enters into master services agreements (MSA) with each of its clients for the provisions of product sampling, distribution, data reporting and other ancillary services. The terms of each MSA are negotiated separately and on a case-by-case basis with each client. Accordingly, the general terms summarised below may differ between clients and are subject to change.

Services
PINCHme agrees to provide the product sampling, distribution, data reporting and other ancillary services as set out in each campaign order form (Order Form), which is binding upon execution by both parties.

Client undertakings
The client agrees to provide PINCHme with the required campaign materials specified on the Order Form (such as marketing creative materials and product images).

The client also agrees to provide the require sample quantity of products as specified in the applicable Order Form, and the client must also use commercially reasonable efforts to remedy any defect in the products supplied no later than five (5) business days prior to the campaign start date, at the client's cost.

Pricing
Pricing and distribution specifications for each individual campaign is set out in the relevant Order Form.

Product liability and risk
The client represents and warrants that the products are safe and reasonably fit for the purpose disclosed for the relevant Order Form.

Typically, risk in the products remains at all times with the client and title remains with the client until delivered to members. Excess products that are not distributed to members must be made available for collection by the client, at the client’s cost.

Unless PINCHme has acted with gross negligence or wilful misconduct in storing the products, PINCHme's total liability to the client with respect to the products is limited to making the excess products available for collection and issuing a refund for the portion of total fees payable by the client to PINCHme under the Order Form.

Survey responses
Clients acknowledge that PINCHme cannot force members to complete surveys, and that members may be invited by PINCHme to post honest reviews regarding the products on social media sites. Clients agree that PINCHme will have no liability in relation to any such reviews displayed or disseminated by members.

Intellectual property
The client grants PINCHme a non-exclusive, royalty free limited licence to use the client’s intellectual property in approved campaign materials for the purposes of providing the services. Some clients also provide PINCHme with the ability to use the Client’s name and/or logo in certain circumstances, for the purpose of promoting the client or its products and/or PINCHme’s services.

PINCHme owns all intellectual property rights in the reports it produces from each Order Form (Campaign Reports) (including the personal information obtained from members). PINCHme grants the client and its affiliates a perpetual, non-exclusive, worldwide license to reproduce and/or use the Campaign Reports for any purpose and the client may disclose the same to its customers, distributors, consultants and other third parties for the purposes of its business.
Indemnity
The client indemnifies PINCHme from and against any and all claims, damages, liabilities, judgements, losses, costs and expenses (including legal fees) suffered or incurred by PINCHme arising from clients products (if samples are provided) and campaign materials or intellectual property rights, including but not limited to a claim or demand related to product liability, negligence, wilful misconduct or a breach of any client's warranties, representations or obligations under the MSA or client's violation of any applicable laws, excluding PINCHme's wrongful misconduct or negligence.

PINCHme indemnifies the client, its parent, officers, directors employees and agents, from and against any and all claims, damages, liabilities, judgements, losses, costs and expenses of every kind and nature (including legal fees) suffered or incurred by the client arising from the campaign or the services, including but not limited to a claim or demand related to negligence, wilful misconduct or PINCHme's material breach of its obligations under the MSA or its breach of applicable laws.

The indemnities by each of the parties are typically survive termination, completion or expiration of the MSA for a specified period, being anywhere from one (1) to five (5) years.

Limitation of liability
PINCHme does not make any representations or warranties that all or any of the products supplied by the client will be supplied by PINCHme to members.

In some MSAs, PINCHme's total aggregate liability to the client arising out of or in anyway connected to the services provided under the MSA is limited to the total fees payable by the client to PINCHme specified in an Order Form.

Representations and warranties
PINCHme makes various representations and warranties, including in respect of its authority to enter into and perform its obligations under the MSA, compliance with applicable laws and regulation and no breaches of third party rights.

The client makes various representations and warranties, including in respect of its authority to enter into and perform its obligations under the MSA, compliance with laws and regulations, the content of product packaging and campaign materials and no violations of intellectual property rights.

Term and termination
Typically, the MSAs do not have a fixed term.

The MSAs are generally subject to a number of termination rights including:
• if either party commits a material breach of the MSA and/or such a breach is not remedied within a specified period; and
• at any time for convenience, in some agreements upon a specified notice period.

In some cases, MSAs's will automatically terminate within a specified period (for example, six (6) months) following the last end date of all campaigns undertaken under the MSA. In practice MSAs are generally amended, extended or renegotiated where necessary by the parties in conjunction with agreeing the terms of a specific campaign.

Governing law
Typically, the MSAs are governed by the laws of the State of Delaware.

9.8.2 Distribution agreement
PINCHme entered into a distribution agreement with a third party distributor (Distributor) on 5 August 2013 for the storage and dispatch of goods at and from facilities owned by the Distributor (as well as other ancillary services) (Distribution Agreement).

Term
The Distribution Agreement was renewed on 10 July 2018 for further a 12 month term and will automatically be extended for further rolling 12 month periods after that term, unless terminated earlier in accordance with its terms.

Services
The Distributor agrees to receive, store and ship the products from its facilities, and perform other services as agreed between the parties. The Distributor picks, packs and labels the samples in accordance with the specifications of individual statements of work, before shipping consumer boxes via United States Postal Service (USPS) shipping services.
Pricing
PINCHme must pay the Distributor a combination of agreed fixed monthly costs and variable costs based on the number and type of samples that are picked and packed. Shipping costs are based on USPS prices.

Undertaking
The Distributor undertakes that:

• in the event the services include the storage, warehousing, or shipping of product samples for PINCHme, the Distributor shall not allow any goods to be altered, mishandled, modified, or adulterated in any way whatsoever and shall ensure that all goods are distributed with all outer product labelling in place and unaltered; and

• the Distributor shall hold all goods in safekeeping until distributed pursuant to the Distribution Agreement and shall bear the risk of loss of such goods from the time shipped to the facilities.

Product liability and risk
The Distributor agrees to:

• safeguard the goods while in its possession or control, including but not limited to keeping the goods in clean and new condition and taking all necessary precautions to prevent theft, destruction, contamination, mishandling, spoilage and unauthorised use;

• be liable for loss of or injury to the goods while under its care, custody and control when caused by its failure to exercise such care as a reasonably careful entity would exercise under like circumstances; and

• be liable for loss of goods due to inventory shortage or unexplained or mysterious disappearance of goods in excess of a specified percentage of the total value of goods shipped annually, unless the Distributor establishes such loss did not occur because of its failure to exercise due care.

Termination
The Distribution Agreement contains a number of termination rights including:

• in the event the Distributor fails to correct non-conforming services within ten business days of receipt of a notification, PINCHme may at its discretion either terminate all or portion of the statement of work issued under the Distribution Agreement related to the services, or retain a third party to perform the services;

• PINCHme may terminate the Distribution Agreement upon thirty days’ prior written notice to the Distributor;

• the Distributor may terminate the agreement upon sixty days’ prior written notice to PINCHme so as long as no statements of work under the Distribution Agreement are in place when notice is given; and

• PINCHme may terminate with immediate effect, any statement of work issued under the Distribution Agreement, either in whole or in part, upon written notice to the Distributor.

Governing law
The Distribution Agreement is governed by the laws of the State of New York.

9.8.3 Web hosting agreement
PINCHme uses Amazon Web Services (AWS) as its cloud computing and website hosting service provider. AWS is one of the largest hosting service providers in the world supporting the technology platforms of prominent global businesses like Unilever, Siemens, Dow Jones, Comcast and Vodafone. Similarly, they provide services to successful start-ups like Airbnb, Spotify and Iflix. AWS itself is a large global business and therefore serves PINCHme on the same terms and conditions it would any other hosting client. These terms are typically provider friendly as it relates to termination and unilateral changes to their terms and conditions at their full discretion. AWS’s terms and conditions can be found at www.aws.amazon.com/agreement.

9.8.4 Implementation Agreement
The Company has entered into an implementation agreement with the Existing Holders to agree certain matters to facilitate the Offer. These Existing Holders have (as applicable to them) agreed (amongst other things) to:

• use their best endeavours to facilitate the Offer;

• provide the necessary authorisations and consents in connection with the Offer, including in respect of changes to the Company’s capital structure required to effect the Offer;

• waive any pre-emption rights they have with respect to the issue and transfer of Shares in conjunction with the Offer;
• terminate the Company’s existing shareholders’ agreement upon Completion;
• confirm the number of CDIs to be issued on conversion of the Convertible Notes;
• accept the issue of CDIs in lieu of repayment of the Shareholder Loans; and
• approve the terms of the Company’s Equity Incentive Plan and the issue of Options under that Equity Incentive Plan.

9.8.5 **Lead Manager mandate agreement**

The letter of engagement between the Company and the Lead Manager dated 2 November 2017 (Mandate Agreement) governs the terms upon which the Lead Manager will provide its services as Lead Manager to the Offer. The Offer will not be underwritten by the Lead Manager.

9.8.5.1 **Fees and expenses**

Subject to the Lead Manager satisfying its obligations under the Mandate Agreement, the Company has agreed to pay the Lead Manager the following fees:

• a management fee of 2.5% of the proceeds of the Offer; and
• a selling fee of 3.5% of the proceeds of the Offer.

In addition to the fees described above, the Company has agreed to pay or reimburse the Lead Manager for the reasonable costs incurred by it in relation to the Offer.

9.8.5.2 **Termination**

The Lead Manager or the Company may terminate the Mandate Agreement with immediate effect without cause by providing written notice to the other party.

9.8.5.3 **Representations and warranties**

The Mandate Agreement contains certain standard representations and warranties by the Company to the Lead Manager, including in respect of the conduct of the Company in relation to the Offer, power and capacity, accuracy of information provided by the Company (including that none of that information, or any information publicly released by the Company is, or will be when provided in its final form, inaccurate or false or is, or will be, misleading or deceptive (including by omission) or likely to mislead or deceive), and the Company’s compliance with laws and the ASX Listing Rules.

The Company must not engage in conduct that is misleading or deceptive (including by omission) or is likely to mislead or deceive in relation to the Mandate Agreement or the Offer.

9.8.5.4 **Limitation of liability**

The Lead Manager accepts no liability or responsibility if the Offer does not proceed.

The Lead Manager and its representatives will not be required to contribute to any claim or loss in respect of the Offer or otherwise in an amount that exceeds the commission and fees payable to the Lead Manager and its representatives under the Mandate Agreement.

9.8.5.5 **Indemnity**

Subject to certain exclusions including, among other things, fraud, wilful misconduct or gross negligence of any indemnified party, the Company agrees to keep the Lead Manager, its affiliates and its representatives indemnified from claims and losses suffered by them in connection with the Offer or otherwise pursuant to the Mandate Agreement.

No claim may be made by the Company against any director, officer or employee of the Lead Manager or of any related body corporate of the Lead Manager.

9.9 **FOR US Restrictions**

**Regulation S**

The CDIs to be issued under the Offer have not been, and will not be, registered under the US Securities Act or the laws of any state or other jurisdiction in the United States. Accordingly, the Offer is being made in reliance on the exemption from registration afforded by Regulation S under the US Securities Act for offers which are made outside the United States and not to US Persons.
As a result of relying on the Regulation S exemption, the CDIs will be ‘restricted securities’ under Rule 144 of the US Securities Act. This means that you will not be able to sell the CDIs issued to you under the Offer into the US or to a US Person for a period of 12 months from the date of allotment of the CDIs under the Offer, unless the re-sale of the CDIs is registered under the US Securities Act or an exemption is available. Accordingly, the market for CDIs is likely to be limited to ASX and holders of CDIs will be unable to sell the CDIs in the United States or to US Persons due to restrictions on the transfer of CDIs.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offers bear a “FOR US” designation on ASX. This designation effectively automatically prevents any CDIs from being sold on ASX to US Persons. However, you will still be able to freely transfer your CDIs on ASX to any person other than a US Person.

In addition, hedging transactions with regard to the Company’s CDIs may only be conducted in accordance with the US Securities Act.

No-action letter

In January 2000, the SEC issued a no-action letter to ASX with regard to initial public offerings of US private companies on ASX. The letter provided that private US companies (such as the Company) which had not registered their class of shares under the US Exchange Act could do so on ASX in reliance on Regulation S and the additional conditions as set forth in the no-action letter.

The no-action letter requires purchasers of CDIs pursuant to the Offer and any person who purchases CDIs in the secondary market to make representations, during the distribution compliance period, about their non-US status. The no-action letter is based on certain assumptions and also requires that the Company, ASX, the CUSIP Bureau and ASX Participating Organisations (as defined below) take certain actions in order to comply with the requirements set forth in the no-action letter.

Representations regarding non-US status

Each Applicant under the Offer will be deemed to have represented, warranted and agreed for the benefit of the Company and its related bodies corporate and any officers, employees, agents, advisers or brokers of any of them (affiliates) as follows:

- that the Applicant is not a US Person and is not acting for the account or benefit of a US Person. A US Person includes, among other things and subject to certain limited exceptions:
  - any natural person resident in the US;
  - any partnership or corporation organised or incorporated under the laws of the US;
  - any estate of which any executor or administrator is a US Person;
  - any trust of which any trustee is a US Person;
  - any agency or branch of a foreign entity located in the US;
  - any non-discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary for the benefit or account of a US Person;
  - any discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the US; and
  - any partnership or corporation, organised or incorporated under the laws of any foreign jurisdiction, if formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons estates or trusts.
- the Applicant acknowledges and agrees that, in order to ensure that US Persons do not purchase any CDIs under the Offer, a number of procedures governing the trading and clearing of CDIs will be implemented, including the application to the CDIs of the status of Foreign Ownership Restriction (FOR) securities under the ASX Settlement Operating Rules and the addition of the notation “FOR U.S.” to the CDI description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons acquiring CDIs;
- the Applicant understands and agrees that, if in the future it decides to resell, pledge, transfer or otherwise dispose of any CDIs (or the Shares underlying those CDIs) it will only do so: (i) outside the US in an offshore transaction in compliance with Rule 903 or 904 under the US Securities Act, (ii) pursuant to an effective registration statement under the US Securities Act or (iii) pursuant to an available exemption from the registration requirements of the US Securities Act, and in each case in accordance with all applicable securities laws;
- the Applicant agrees not to engage in hedging transactions with regard to the CDIs (or the Shares underlying the CDIs) unless in compliance with the US Securities Act; and
- the Applicant acknowledges that the Company and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any such acknowledgments,
representations or warranties are no longer accurate, it will notify the Company immediately. Each Applicant agrees to indemnify the Company, its affiliates and their respective Directors, officers, employees and advisers against any loss, damage or costs incurred and arising out of or in relation to any breach by it of the acknowledgments, representations, warranties and agreements.

Representations of purchasers of CDIs in the secondary market
The no-action letter requires that purchasers of CDIs in the secondary market make similar certifications and agreements to the ones that purchasers make in the Offer regarding their status as non-US Persons during the distribution compliance period.

Requirements of ASX and CUSIP Bureau
The no-action letter requires that ASX and entities like CUSIP Bureau take certain actions in order to comply with the provisions of the no-action letter, a summary of which is set out below:

• the CDIs issued under the Offers will be classified as FOR securities under the ASX Settlement Operating Rules, and will be identified on trading screens as being on the FOR list. For this purpose, “Foreign Person” will be defined as a “US Person” and the permitted foreign ownership level will be zero. As a result, no US Person may apply for CDIs under the Offer. If you have a CHESS HIN designated as “Foreign”, you may not subscribe for CDIs under the Offer. If for any reason CDIs are purchased by a US Person under the Offer, the CDIs will be divested under the ASX Settlement Operating Rules;
• ASX will widely publish an explanation of the restricted stock identifier beginning a reasonable period prior to initial quotation of the Company’s CDIs on ASX and continually thereafter;
• the CDIs will be identified in the records maintained by entities such as CUSIP Bureau, as restricted under the US Securities Act, so that participants in book entry clearance facilities and others that trade the CDIs will have notice that transfers of the CDIs to US Persons are restricted and must qualify under an appropriate exemption (absent registration);
• US entities may not participate in the ASX market, either as brokers or as market-makers;
• no ASX trading screens may be placed in the US; and
• whilst ASX and ASX Settlement will maintain these procedures and systems, neither the ASX nor ASX Settlement is responsible for monitoring compliance with SEC requirements or US law, nor is the ASX or ASX Settlement responsible to third parties for any misfeasance by the Company in relation to those procedures. If the Company breaches US law, neither ASX nor ASX Settlement is responsible for those breaches.

Requirements of the Lead Manager and ASX Participating Organisations
The no-action letter requires that the Lead Manager and ASX Participating Organisations (brokers that are members of ASX) take certain actions in order to comply with the provisions of the no-action letter, a summary of which is set out below:

• whether in the Offer or in secondary trading, ASX Participating Organisations must not execute a transaction on ASX in Regulation S securities if that broker knows that the purchaser is acting for the account or benefit of a US Person;
• in connection with any purchase of CDIs, whether in the Offer or any secondary trading, ASX Participating Organisations must make reasonable efforts to ascertain whether a purchaser is a US Person or is acting for the account or benefit of a US Person, and implement measures designed to assure reasonable compliance with these requirements;
• the confirmation sent to each purchaser of CDIs either in the Offer or in any secondary market trading must include a notice that the CDIs are subject to the restrictions of Regulation S;
• any information provided by the Lead Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the US Securities Act are subject to restrictions under Regulation S.

Requirements of the Company
The no-action letter also requires that the issuer of the CDIs (i.e. the Company) take certain actions in order to comply with the provisions of the no-action letter, a summary of which is set out below:

• the Company must undertake to provide notification of the Regulation S status of its CDIs in shareholder communications such as annual reports, periodic interim reports and notices of shareholder meetings;
• the Bylaws must provide that the Company will refuse to register any transfer of the CDIs (or the Shares underlying those CDIs) not made:
  - in accordance with the provisions of Regulation S (Rule 901 through Rule 905 and preliminary notes);
  - pursuant to registration under the US Securities Act; or
  - pursuant to an available exemption from registration; and
• during the distribution compliance period the Company undertakes that any information provided by the Company to publishers of publicly available databases, such as Bloomberg and Reuters, about the term of issuance of the CDIs must include a statement that the CDIs have not been registered under the US Securities Act and are subject to restrictions under Regulation S.

**Legending requirements**

Global securities, certificates into which global securities may be subdivided and any physical certificated securities, issued to holders prior to the expiration of the distribution compliance period, representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the US Securities Act and the regulations promulgated under the US Securities Act. No Shares bearing the restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion of counsel or the assurance that the transfer complies fully with the US Securities Act.

**9.10 Foreign Selling Restrictions**

This Prospectus does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted below.

**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”). The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

• is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
• meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
• is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
• is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
• is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Singapore**

This document and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
SECTION 9. ADDITIONAL INFORMATION

This document has been given to you on the basis that you are (i) an existing holder of the Company’s CDIs, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9.11 Taxation implications of investing under the Offer

9.11.1 Australian taxation implications

The following general taxation comments consider the Australian income tax and stamp duty implications for Australian tax residents operating from Australia only. The tax implications for CDI Holders relate to the receipt of dividends and potential gains on the disposal of CDIs. It is based on the Australian law, and the Commissioner of Taxation’s interpretation of the law, as at the date of this Prospectus. This summary does not take into account or anticipate any changes in the law or practice that may occur.

The summary is general in nature. It does not deal with all aspects of Australian law that may be relevant to specific types of investors. The comments do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances of the investor. The Company recommends that each investor seek their own independent financial advice about the consequences of acquiring CDIs.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs issued under this Prospectus.

9.11.1.1 Dividends

Where PINCHme pays a dividend to an Australian tax resident CDI Holder, the dividend should be included in the CDI Holder’s assessable income for the relevant year of income. Where the dividend has been subjected to withholding tax in the US, the amount included in the assessable income of an Australian tax resident CDI Holder should be the grossed up for the amount of withholding tax paid. Generally, a corresponding foreign tax offset may be available to the CDI Holder for the withholding tax deducted in relation to the dividend paid, subject to certain limits. Investors should seek independent advice as to whether any tax offsets for US tax withheld from dividends received may be obtained.

Generally, dividends received by an Australian resident company who holds at least 10% in a foreign company would not be assessable income for Australian taxation purposes and as such would not be entitled to a foreign income tax offset for US withholding tax paid.

As the Company is a foreign company, there will not be franking credits attached to any dividend paid (i.e. no franked dividends).

9.11.1.1 Disposal of CDIs

Profit making intention

Some CDI Holders may hold CDIs on revenue rather than on capital account, for example, holders who acquire their CDIs as part of a business or with a view of profit such as share traders. Gains made on the disposal of CDIs by these CDI Holders may be assessable as ordinary income for Australian taxation purposes. Correspondingly, any loss made on disposal may be deductible. Each investor should seek independent advice as to whether the gain would be considered ordinary income.

Capital Gains Tax

A CDI is a CGT asset. An Australian resident CDI Holder may make a capital gain or capital loss from the disposal of the CDIs. As a general rule, where the capital proceeds on disposal of a CDI are greater than the CDI’s cost base, the CDI Holder will make a capital gain. Conversely, a CDI Holder incurs a capital loss on the disposal of a CDI where the capital proceeds are less than the CDI’s reduced cost base.

If a CDI Holder incurs a capital loss, this loss can only be offset against capital gains recognised under the CGT rules in the current or future income years.
The cost base of a CDI includes, amongst other things:

1. the amount paid to acquire the CDI;
2. incidental costs in relation to the acquisition and disposal of the CDI; and
3. the costs of ownership of the CDI (e.g. interest expenses on funds an investor borrows in order to acquire the CDI where the interest is not otherwise allowable as a tax deduction).

A CDI Holder’s reduced cost base in a CDI includes the amounts described in paragraphs (a) and (b), but not the amounts described in paragraph (c).

The CDI Holder’s cost base and reduced cost base may be reduced by the receipt of non-assessable distributions from the Company, if any.

If a CDI Holder is an individual, trust or a complying superannuation fund they may be entitled to the CGT discount if the CDI has been held for more than 12 months prior to the disposal. This concession means that a portion of any net capital gain made on sale is exempt from income tax, where the CDI Holder has held those CDIs for more than twelve months. For individuals and trusts the percentage of the capital gain exempted is 50% and for complying superannuation funds that percentage is 33.33%.

If a CDI Holder is an Australian resident company who holds CDIs which carry at least 10% of the voting rights in the Company and these CDIs have been held for a period of at least 12 months (beginning no earlier than 24 months prior to disposal), the CDI Holder may be entitled to reduce any capital gain or capital loss arising from the disposal of the CDI by a percentage that reflects the degree to which the assets of the Company are used in an active business. Each corporate investor should seek independent advice as to whether this concession applies.

To the extent an amount would be included in a CDI Holder’s assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount would generally be reduced, so that the CDI Holder would not be subject to double tax on any part of the income gain or capital gain.

Anti-tax deferral provisions

Australia has tax laws which, in certain circumstances, may attribute certain income of a controlled foreign company (CFC) which has not been comparably taxed offshore to Australian resident investors on an accruals (not receipts) basis. In very broad terms, this CFC regime may apply where a foreign company is regarded as controlled by Australian residents. There are complex rules in determining whether a foreign company is controlled by Australian residents. The Company may be taken to be Australian controlled if, for example:

a. five or fewer Australian resident entities (together with their associates) have 50% or more of the interests in the Company; or
b. the Company is controlled by five or fewer Australian resident entities either alone or together with its associates.

If the Company is a CFC, attribution can generally only occur where an Australian investor (together with their associates) holds at least a 10% interest in the Company, although in certain limited cases, attribution can occur where an Australian investor (together with their associates) is one of the entities mentioned in (b) above that controls the Company. The attributable income of a CFC is, in broad terms, calculated in accordance with Australian tax rules as if the foreign company were an Australian resident, subject to certain modifications. For listed countries, such as the US, there are only limited categories of income that are included in the calculation of attributable income (e.g. certain untaxed income from tax exempt governmental bonds and passive income derived by a regulated investment company in the US). Furthermore, where a CFC passes the active income test, the CFC should generally have no attributable income.

Whether or not the CFC accruals tax rules apply to an investor will depend on, amongst other things, the level of interest held by an Australian tax resident investor (and its associates) in the Company and the type of income derived by the Company. Investors should discuss the application of the CFC provisions with their own professional tax advisor.

Goods and Services Tax ("GST")

No GST should be payable on the acquisition or disposal of the CDIs. Further, no GST should be payable on the dividends paid.

Stamp Duty

As at the date of the Prospectus, the Group does not operate business in Australia. Accordingly, the Company does not, directly or indirectly through holding securities in other entities, have any interests in land in Australia. On the issue or allotment of the CDIs as part of the Offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the CDIs that are quoted on the ASX at the time of the Listing.
9.12 US tax implications

The following general taxation comments consider the United States income tax implications for both U.S. tax residents and non-U.S. tax residents from a U.S. tax perspective only. The tax implications for CDI Holders relate to the potential gains on the disposal of CDIs. It is based on U.S. tax law as at the date of this Prospectus. This summary does not take into account or anticipate any changes in the law or practice that may occur.

The summary is general in nature. It does not deal with all aspects of U.S. tax law that may be relevant to specific types of investors. The comments do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances of the investor. The Company recommends that each investor seeks their own independent income tax advice based on their particular circumstances. All current or potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs issued under this Prospectus.

9.12.1 Disposal of CDIs

A CDI will generally be treated as a capital asset for U.S. income tax purposes. Upon disposal of a CDI, the determination of the amount of and recognition of gain or loss is generally calculated pursuant to section 1001 as follows:

- The gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in section 1011 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.
  - The general rule pursuant to section 1011 for adjusted basis for determining gain or loss from the sale or other disposition of property shall be the basis as determined under section 1012 as the cost of such property adjusted for any reductions to basis for distributions not classified as dividends.
- The amount realized from the sale or other disposition of property shall be the sum of any money received plus the Fair Market Value (FMV) of the property received (other than money).

Non-U.S. resident

Gain on the sale or disposition of a CDI by a non-U.S. resident CDI Holder should not generally be subject to U.S. tax to the extent that the non-U.S. resident CDI holder is not engaged in a U.S. trade or business or permanent establishment under a relevant tax treaty and such gain is not attributable to gain from the sale or exchange of a United States real property interest.

U.S. resident

A corporate owner or an individual owner of a CDI that disposes of a CDI will generally recognize gain on the disposal if the FMV of the CDI exceeds the cost basis of the CDI upon disposal, or recognize loss on the disposal if the FMV of the CDI is less than the cost basis of the CDI. This transaction is treated as a sale or exchange of a capital asset that produces capital gain or capital loss.

- For corporate CDI Holders, capital gains are taxed at the ordinary income tax rates for U.S. income tax purposes with a maximum marginal federal income tax rate of 21%. Pursuant to section 1212, if a corporation has a net capital loss for any taxable year, the amount shall be treated as a capital loss carryback to each of the three taxable years preceding the year the capital loss was generated so long as the carryback does not increase or produce a net operating loss. If not carried back, a capital loss will be carried forward to each of the five taxable years succeeding the loss year. Capital losses at the corporate level may only be used to offset capital gains and may not be applied against ordinary taxable income.
- For individual CDI Holders, if the CDI is held for one year or less and then sold for a gain, the capital gain would be classified as short term and would be taxed at the ordinary income tax rates at a maximum marginal federal income tax rate of 37%. If the CDI is held for more than one year and subsequently sold for a gain, the capital gain would be classified as long term and would be taxed at long term capital gain rates capped at a rate of 20%. Capital losses may be used by individuals to offset capital gains or other income subject to certain limitations.

6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, any underwriters, persons named in the Prospectus with their consent as proposed Directors of the Company, persons named in the Prospectus with their consent as having made a statement in the Prospectus, and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.
9.13 Interests of experts and advisers

Other than as set out below, or as otherwise disclosed in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the Offer or the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of this Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

PINCHme has engaged the following professional advisors:

- Baker McKenzie has acted as Australian and (in respect of certain matters) United States Legal Advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately US$500,000 (excluding disbursements and GST), for these services. Further amounts may be paid to Baker McKenzie in accordance with time based charges;
- Grant Thornton Corporate Finance Pty Ltd has acted as the Australian Investigating Accountant and has prepared the Investigating Accountant’s Report. The Company has paid, or agreed to pay, approximately A$275,000 (excluding disbursements and GST) for these services;
- Sternship Advisers Pty Limited has acted as Lead Manager in relation to the Offer. The Company has paid, or agreed to pay the fees described in Section 9.8.5 for these services. The Company will also pay Sternship Advisers Pty Limited a retainer of approximately A$150,000 (excluding GST). In addition, Tim Day, the sole director of Sternship Advisers Pty Limited, holds Convertible Notes in aggregate principal amount of A$50,000 that will convert into Shares in the Company on Completion;
- EisnerAmper LLP, independent registered public accounting firm, has acted as US auditor of the Company. The Company has paid, or agreed to pay, approximately US$150,000 of the Offer proceeds for these services; and
- Frost & Sullivan Australia Pty Limited has prepared an industry report for the Company in connection with the Offer titled “Market Report - FMCG Marketing & Research and Performance-based Online Advertising in the US”. The Company has paid, or agreed to pay, approximately A$23,000 of the Offer proceeds for these services.

The Company will pay these amounts and other expenses of the Offer out of the Offer proceeds or available cash. Further information on the use of Offer proceeds and payment of the expenses of the Offer is set out in Section 7.4.

9.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, any underwriters, persons named in the Prospectus with their consent as proposed Directors of the Company, persons named in the Prospectus with their consent as having made a statement in the Prospectus, and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any statement or report described below as being included with its consent. None of the parties referred to below has authorised or caused the issue of this Prospectus and to the maximum extent permitted by law, each of those parties expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Sternship Advisers Pty Limited has consented to being named as Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Sternship Advisers Pty Limited;
- Grant Thornton Corporate Finance Pty Ltd has consented to being named in the Corporate Directory of this Prospectus as the Company’s Investigating Accountant and to the inclusion of its Investigating Accountant’s Report in Section 8 in the form and context in which it appears;
- Baker & McKenzie Australia has consented to being named in the Corporate Directory of this Prospectus as the Australian and US legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Baker & McKenzie Australia;
SECTION 9. ADDITIONAL INFORMATION

- Link Market Services Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Link Market Services Limited;
- EisnerAmper LLP has consented to being named in the Corporate Directory of this Prospectus as the Company’s US Auditor, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by EisnerAmper LLP; and
- Frost & Sullivan Australia Pty Limited has consented to being named in the Prospectus in relation to the inclusion in this Prospectus of references to its report “Market Report – FMCG Marketing & Research and Performance-based Online Advertising in the US” dated 27 July 2018, commissioned by the Company.

Each Director and the Proposed Director has given, and has not, before lodgement of the Prospectus with ASIC, withdrawn their consent to be named in the Prospectus as a Director or Proposed Director (as applicable) in the form and context in which they are named for the statements made by and on behalf of them to be included in this Prospectus.

9.15 Costs of the Offer
The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be approximately A$2.0 million.

9.16 ASX waivers and confirmations
The Company has obtained ‘in principle’ advice that the ASX would be likely to provide the confirmations and waivers described below on receipt of the Company’s application for admission to the Official List of ASX:
- A waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in the proxy form for meetings, an option for CDI Holders not to provide in the proxy form for meetings, an option for CDI Holders to vote against a resolution to elect a director.
- A waiver from Listing Rule 10.14 to the extent necessary to permit the grant of Options to related parties of the Company at Completion as described in Section 9.3.3.
- Confirmation that electronic consent to the application of a holding lock by the relevant holder constitutes an agreement in writing for the purposes of Listing Rule 8.10.1.
- Confirmation that the Company may prepare its financial accounts in accordance with US GAAP and only in US Dollars.
- Confirmations with respect to the mandatory ASX escrow requirements for those persons holding restricted securities as set out in Section 9.7.

9.17 Legal proceedings
The PINCHme Group may, from time to time, be party to various disputes and legal proceedings incidental to the conduct of its business. So far as the Directors are aware, as at the Prospectus Date, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecutions of a material nature in which the PINCHme Group is directly or indirectly concerned which is likely to have a material adverse impact on the business or the financial position of the PINCHme Group.

9.18 Governing law
This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in New South Wales, Australia, and each Applicant under this Prospectus submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.
PINCHme.com Inc. is a Delaware corporation and was formed in October 2012, the significant accounting policies applied in the preparation of the Financial Information included in this Prospectus are noted below.

**Principles of Consolidation**
The consolidated financial information presented in this Prospectus include the accounts and operations of PINCHme.com Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated on consolidation.

**Use of estimates**
The preparation of the financial information is in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the fair value of the Company stock and derivative instruments.

**Revenue Recognition**
Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

The Company enters into agreements with its customers to provide marketing campaigns for their products that include both the delivery of product samples to consumers and the solicitation of consumer surveys. The Company accounts for these agreements as multiple-element arrangements. These deliverables qualify as separate units of accounting and revenue is allocated to each deliverable based on their relative selling prices. U.S. GAAP requires the relative selling price be determined first based on (i) vendor-specific objective evidence (VSOE), if it exists. (ii) third-party evidence of the selling price (TPE) when VSOE does not exist, (iii) the Company’s best estimate of the selling price when neither VSOE nor TPE exists. The Company has determined neither VSOE nor TPE of the selling prices of the products sold in these arrangements exists, and therefore the Company’s best estimates of the selling prices were used to determine the relative selling prices. Revenue from the delivery of product samples is recognized upon shipment, and revenue from the solicitation of consumer surveys is recognized 60 days after shipment of the product samples, which, based on the Company’s historical experience, is a typical time frame within which consumer’s complete surveys.

Revenue from the delivery of coupons and advertising mailers to consumers is recognized upon shipment. Revenue from digital advertising such as e-mails is recognized upon delivery. Revenue from sales and lead generation services is recognized when acknowledgment of receipt is obtained from the customer, typically through an online link or conversion pixel.

**Accounts Receivable**
The Company’s trade accounts receivable are recorded at amounts billed to customers and presented on the consolidated balance sheet net of the allowance for doubtful accounts. The allowance is determined by a variety of factors, including the age of the receivables, current economic conditions, historical losses and other information management obtains regarding the financial condition of customers. The policy for determining the past due status of receivables is based on how recently payments have been received. Receivables are charged off when they are deemed uncollectible, which may arise when customers file for bankruptcy or are otherwise deemed unable to repay the amounts owed to the Company.

**Inventory**
Inventory consists of packaging supplies used in the shipment of product samples, coupons and advertising mailers to consumers, and is stated at lower of cost or net realizable value.
**Property and Equipment**

Property and Equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortisation are provided using the straight-line method over the following estimated useful lives:

- Computer equipment: 5 years
- Furniture and fixtures: 7 years
- Office equipment: 7 years
- Website development costs: 4 years
- Leasehold improvements: Term of the lease
- Expenditures for repairs and maintenance are expensed as incurred. Impairment of Long-Lived Assets

**Impairment of Long-Lived Assets**

The Company reviews the carrying values of its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets is assessed by a comparison of the carrying amount of the asset to the estimated future net cash flows expected to be generated by the asset. If estimated future net cash flows are less than the carrying amount of the asset, an impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

**Intangible Assets**

Intangible assets consist of website domain names. The Company has determined that the domain names have indefinite lives, and therefore, are not subject to amortization. The Company reviews intangible assets with indefinite lives annually for impairment and whenever events or significant changes in circumstances indicate that the carrying value may not be recoverable.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Shipping and Handling Costs**

The Company reports shipping and handling costs, primarily related to outbound freight, in the accompanying consolidated financial statements as a part of costs of revenue.

**Income Taxes**

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company evaluates the potential for realization of deferred tax assets at each balance sheet date and records a valuation allowance for assets for which realization is not likely.

**Foreign Operations**

Operations outside the United States include subsidiaries in Australia. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Results of operations for the Company’s Australian subsidiaries are translated from the local (functional) currency to the U.S. dollar using average exchange rates during the period, while assets and liabilities are translated at the exchange rate in effect at the reporting date. Resulting gains and losses from translating foreign currency financial statements are recorded as other comprehensive income (loss).
Operating Lease
The Company leases its administrative office space pursuant to a twelve-month operating lease which has been renewed annually. In December 2017, the operating lease was renewed and extended through November 30, 2018. The lease provides for additional rent for real estate taxes and other costs.

Cash Credit Risk Concentrations
The Company maintains cash balances at financial institutions located in the United States and Australia. Accounts held at financial institutions in these countries are federally insured up to $250,000 per depositor per financial institution. All cash balances for accounts held in Australia were covered by federal deposit insurance.

Related Party Transactions
The loans from an officer and stockholder of the Company do not bear interest and are due on demand. In 2017, the Company received a loan from the officer and stockholder in the principal amount of $450,000 that was used for working capital purposes; the loan was fully repaid in May 2018.

Employee Benefit Plan
Beginning January 1, 2017, the Company sponsors a defined contribution 401(k) and profit sharing plan for eligible U.S. employees. Plan assets are held separately from those of the Company in funds under the control of a third-party trustee. Participants may elect to defer a portion of their eligible compensation, on a pre-tax basis, subject to annual statutory contribution limits. The Company may elect to make profit sharing contributions to the plan on an annual basis. The Company does not offer matching contributions.

Sale of Australian Operations
In March 2015, the Company completed its plans to fully relocate its operations from Australia to the United States, and substantially sold all of the assets relating to its Australian operations for cash consideration of approximately $540,000. The Company recorded a gain on sale of the business of approximately $37,000.
GLOSSARY
## GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAS</td>
<td>Australian Accounting Standards.</td>
</tr>
<tr>
<td>AASB</td>
<td>Australian Accounting Standards Board.</td>
</tr>
<tr>
<td>AFSL</td>
<td>Australian Financial Services Licence.</td>
</tr>
<tr>
<td>Applicant</td>
<td>A person who submits an Application.</td>
</tr>
<tr>
<td>Application</td>
<td>An application to subscribe for CDIs offered under this Prospectus.</td>
</tr>
<tr>
<td>Application Form</td>
<td>The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).</td>
</tr>
<tr>
<td>Application Monies</td>
<td>The amount of monies accompanying an Application Form submitted by an Applicant.</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission.</td>
</tr>
<tr>
<td>ASX</td>
<td>ASX Limited or the securities exchange that it operates, as the context requires.</td>
</tr>
<tr>
<td>ASX Listing Rules or Listing Rules</td>
<td>The listing rules of ASX.</td>
</tr>
<tr>
<td>ASX Settlement Operating Rules</td>
<td>The settlement operating rules of ASX.</td>
</tr>
<tr>
<td>ATO</td>
<td>Australian Taxation Office.</td>
</tr>
<tr>
<td>AUD or A$</td>
<td>Australian Dollars.</td>
</tr>
<tr>
<td>Audit and Risk Committee</td>
<td>The Board’s audit and risk sub-committee, as described in Section 6.5.3.</td>
</tr>
<tr>
<td>Australian Accounting Standards</td>
<td>Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.</td>
</tr>
<tr>
<td>Board or Board of Directors</td>
<td>The board of directors of the Company.</td>
</tr>
<tr>
<td>BPAY®</td>
<td>The payment mechanism used to pay Application Monies online.</td>
</tr>
<tr>
<td>Broker</td>
<td>An ASX participating organisation selected by the Company to act as a broker to the Offer.</td>
</tr>
<tr>
<td>Broker Firm Applicant</td>
<td>An Australian resident client of a Broker who is offered a firm allocation of CDIs under the Broker Firm Offer.</td>
</tr>
<tr>
<td>Broker Firm Offer</td>
<td>The offer of CDIs under this Prospectus to Australian resident retail clients of participating Brokers who have a registered address in Australia and are not in the United States, and who have received an invitation from their Broker to participate in the Broker Firm Offer, as described in Section 7.7.</td>
</tr>
<tr>
<td>Broker Firm Application Form</td>
<td>The Application Form made available with a copy of this Prospectus, identified as the Broker Firm Offer Application Form.</td>
</tr>
<tr>
<td>Term</td>
<td>Meaning</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Bylaws</td>
<td>The Bylaws of the Company, as described in Section 9.5.</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound annual growth rate.</td>
</tr>
<tr>
<td>Certificate of Incorporation</td>
<td>The Certificate of Incorporation of the Company, as described in Section 9.5.</td>
</tr>
<tr>
<td>CDI</td>
<td>CHESS Depositary Interests.</td>
</tr>
<tr>
<td>CDI Holder</td>
<td>A registered holder of CDIs.</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer.</td>
</tr>
<tr>
<td>CGT</td>
<td>Capital Gains Tax.</td>
</tr>
<tr>
<td>CHESS</td>
<td>ASX’s Clearing House Electronic Sub-register System. See Section 7.15.2.</td>
</tr>
<tr>
<td>Closing Date</td>
<td>The date on which the Offer is expected to close, being Friday 5 October 2018 in respect of the Offer.</td>
</tr>
<tr>
<td>Company or PINCHme</td>
<td>PINCHme.com Inc. (ARBN 627 641 221).</td>
</tr>
<tr>
<td>Completion</td>
<td>Completion in respect of the allotment and issue of CDIs by the Company.</td>
</tr>
<tr>
<td>Continuous Disclosure Policy</td>
<td>The Company’s continuous disclosure policy, as adopted by the Board, as described in Section 6.5.4.3.</td>
</tr>
<tr>
<td>Convertible Notes</td>
<td>convertible promissory notes issued by the Company, which will be converted into new Shares on Completion of the Offer.</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>Corporations Act 2001 (Cth).</td>
</tr>
<tr>
<td>DGCL</td>
<td>Delaware General Corporation Law</td>
</tr>
<tr>
<td>Director</td>
<td>A member of the Board.</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and taxation.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxation, depreciation and amortisation.</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>The sum of the market capitalisation of the Company at the Offer Price less the expected net cash at Completion of the Offer.</td>
</tr>
<tr>
<td>Equity Incentive Plan</td>
<td>The Company’s 2018 Stock Incentive Plan, as summarised in Section 6.4.</td>
</tr>
<tr>
<td>Existing Holders</td>
<td>Existing holders of Shares, Convertible Notes and/or Shareholder Loans.</td>
</tr>
<tr>
<td>Expiry Date</td>
<td>The date which is 13 months after the Prospectus Date.</td>
</tr>
<tr>
<td>Exposure Period</td>
<td>The seven day period after the Prospectus Date, which may be extended by ASIC by a further period of 7 days, during which no Applications may be processed by the Company.</td>
</tr>
<tr>
<td>Financial Information</td>
<td>The financial information described as Financial Information in Section 4.</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast moving consumer goods.</td>
</tr>
<tr>
<td>Forecast Financial Information</td>
<td>The financial information described as Forecast Financial Information in Section 4.</td>
</tr>
<tr>
<td>FY</td>
<td>Abbreviation for the Financial Year ending 31 December.</td>
</tr>
<tr>
<td>General Offer</td>
<td>The offer of CDIs under this Prospectus to retail investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons, as described in Section 7.9.</td>
</tr>
<tr>
<td>General Offer Application Form</td>
<td>The online Application Form made available with an electronic copy of this Prospectus, identified as the General Offer Application Form.</td>
</tr>
</tbody>
</table>
### APPENDIX B. GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group or PINCHme Group</strong></td>
<td>The Company and its controlled entities post-Completion of the Offer and, where the context requires, the businesses conducted by those companies.</td>
</tr>
<tr>
<td><strong>GST</strong></td>
<td>Goods and services tax.</td>
</tr>
<tr>
<td><strong>HIN</strong></td>
<td>CDI Holder’s Holder Identification Number.</td>
</tr>
<tr>
<td><strong>Historical Financial Information</strong></td>
<td>The financial information described as Historical Financial Information in Section 4.</td>
</tr>
<tr>
<td><strong>IFRS</strong></td>
<td>International Financial Reporting Standards.</td>
</tr>
<tr>
<td><strong>Institutional Investor</strong></td>
<td>Investors who are:</td>
</tr>
<tr>
<td></td>
<td>* persons who are wholesale clients under Section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or</td>
</tr>
<tr>
<td></td>
<td>* institutional investors in certain other jurisdictions, as determined by the Company, to whom offers of CDIs may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approved by, any government agency (except one with which the Company is willing in its sole discretion to comply); and</td>
</tr>
<tr>
<td></td>
<td>* provided that in each case such investors are not in the United States and are not US Persons.</td>
</tr>
<tr>
<td><strong>Investigating Accountant</strong></td>
<td>Grant Thornton Corporate Finance Pty Ltd.</td>
</tr>
<tr>
<td><strong>Investigating Accountant’s Report</strong></td>
<td>The Investigating Accountant’s report as set out in Section 8.</td>
</tr>
<tr>
<td><strong>KPI</strong></td>
<td>Key performance indicator.</td>
</tr>
<tr>
<td><strong>Lead Manager</strong></td>
<td>The Lead Manager to the Offer, being Sternship.</td>
</tr>
<tr>
<td><strong>Listing</strong></td>
<td>The expected admission of the Company to the Official List.</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>The executive management team of the Company.</td>
</tr>
<tr>
<td><strong>Millennials</strong></td>
<td>Refers to the generation of people born between the early 1980s and 1990s.</td>
</tr>
<tr>
<td><strong>Minimum Subscription</strong></td>
<td>Means the minimum amount to be raised under the Offer, being A$8 million.</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td>A member of the Board who does not form part of the Company’s management.</td>
</tr>
<tr>
<td><strong>NPAT</strong></td>
<td>Net profit after tax.</td>
</tr>
<tr>
<td><strong>Offer</strong></td>
<td>The offering of CDIs under this Prospectus.</td>
</tr>
<tr>
<td><strong>Offer Price</strong></td>
<td>A$0.50 per CDI.</td>
</tr>
<tr>
<td><strong>Official List</strong></td>
<td>The official list of entities that ASX has admitted to and not removed from listing.</td>
</tr>
<tr>
<td><strong>Options</strong></td>
<td>The options to acquire the Company’s Shares, granted under the Equity Incentive Plan or as otherwise granted by the Company, as described in Section 9.3.3.</td>
</tr>
<tr>
<td><strong>Participant</strong></td>
<td>An employee, officer, Director or consultant of the Company who is eligible to participate in the Company’s Equity Incentive Plan.</td>
</tr>
<tr>
<td><strong>Priority Offer</strong></td>
<td>The offer of CDIs under this Prospectus which is open to selected investors in eligible jurisdictions, who have received a Priority Offer invitation to acquire CDIs under this Prospectus.</td>
</tr>
<tr>
<td>Term</td>
<td>Meaning</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Prospectus</td>
<td>This document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.</td>
</tr>
<tr>
<td>Prospectus Date</td>
<td>The date on which a copy of this Prospectus is lodged with ASIC, being Thursday 13 September 2018.</td>
</tr>
<tr>
<td>Proposed Director</td>
<td>Wal Pisciotta, who will be appointed to the Board on Completion.</td>
</tr>
<tr>
<td>Remuneration and Nomination Committee</td>
<td>The Board’s remuneration and nomination sub-committee.</td>
</tr>
<tr>
<td>Securities Trading Policy</td>
<td>The Company’s securities trading policy, as adopted by the Board, as described in Section 6.5.4.2.</td>
</tr>
<tr>
<td>Securityholder Communications Policy</td>
<td>The Company’s securityholder communications policy, as adopted by the Board, as described in Section 6.5.4.3.</td>
</tr>
<tr>
<td>Share</td>
<td>A fully paid share of common stock of the Company.</td>
</tr>
<tr>
<td>Shareholder</td>
<td>A holder of Shares.</td>
</tr>
<tr>
<td>Shareholder Loans</td>
<td>Interest free loans provided by certain Existing Holders to the Company’s wholly owned Australian subsidiary Broadway&amp;Houston Group Pty Limited, which will be repaid via the issue of new Shares on Completion of the Offer.</td>
</tr>
<tr>
<td>Share Registry</td>
<td>Link Market Services Limited (ABN 54 083 214 537).</td>
</tr>
<tr>
<td>SRN</td>
<td>Securityholder Reference Number issued by the Share Registry.</td>
</tr>
<tr>
<td>Sternship</td>
<td>Sternship Advisers Pty Limited (ABN 22 619 280 910). Corporate Authorised Representative Number (001255209) as representative of Ashanti Capital Pty Limited (AFS Licence Number: 493204).</td>
</tr>
<tr>
<td>TFN</td>
<td>Tax file number.</td>
</tr>
<tr>
<td>US</td>
<td>United States of America.</td>
</tr>
<tr>
<td>US Person</td>
<td>Means a ‘US Person’ as defined in Rule 902(k) of Regulation S under the US Securities Act.</td>
</tr>
<tr>
<td>VWAP</td>
<td>Volume Weighted Average Price.</td>
</tr>
</tbody>
</table>
This page has been left blank intentionally.
Company
PINCHme.com Inc.
611 Broadway, Suite 308, New York,
New York 10012
United States

Company’s Australian Registered Office
PINCHme.com Inc.
c/o Company Matters Pty Limited
Level 12, 680 George Street
Sydney NSW 2000

ASX Code
ASX:PIN

Offer Information Line
Within Australia: 1800 810 827
Outside Australia: +61 1800 810 827

Offer Website
www.PINCHmeIPOoffer.com

Lead Manager
Sternship Advisers Pty Limited
1202 Hay Street
West Perth WA 6005

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

Australian and US Legal Adviser
Baker & McKenzie
Tower One – International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000

Investigating Accountant
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000

US Auditor
EisnerAmper LLP, independent registered public accounting firm
750 Third Avenue
New York, NY 10017