

PROSPECTUS

People Infrastructure Ltd
ACN 615 173 076



ORD MINNETT

Initial Public Offering of 25 million ordinary shares at an issue price per share of \$1.00 each to raise \$25 million.

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Shares being offered under this Prospectus, or any matter relating to an investment in the Company.

Joint Lead Managers and Underwriters

Morgans Corporate Limited
Ord Minnett Limited

IMPORTANT NOTICES

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Offer Shares being offered under this Prospectus, or any matter relating to an investment in the Company.

OFFER

The offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in the Company (**Offer**). No Shares will be issued under the Offer unless \$25 million has been raised.

LODGEMENT AND LISTING

This Prospectus is dated 20 October 2017 (**Prospectus Date**) and was lodged with ASIC on that date.

The Company will apply to ASX within seven days after the Prospectus Date, for admission of the Company to the Official List and for quotation of its Shares on ASX. Neither ASIC nor ASX 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 Shares will be allotted or transferred on the basis of this Prospectus after the expiry date.

EXPOSURE PERIOD

Under the Corporations Act, the Company must not process Application Forms during the seven-day period after the date of lodgement of this Prospectus with ASIC, noting that this period may be extended by ASIC for up to a further seven days (**Exposure Period**).

This exposure period enables the Prospectus to be examined by market participants prior to the raising of 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.

Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

NOTE TO APPLICANTS

This Prospectus provides information for investors to decide if they wish to invest in the Company. You should read this document in its entirety. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under this Prospectus. Examine the assumptions underlying the Financial Information and the risk factors that could affect the financial performance of the Company. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

The Offer is not financial product advice and does not take into account the investment objectives, financial situation or needs of particular investors. The Company is not licensed to provide financial product advice in respect of Shares or other financial products.

INFORMATION ABOUT THE COMPANY

This Prospectus contains certain information about People Infrastructure, its directors, senior executives and business. It also contains details of their investment approach, strategy and philosophy. To the extent that this Prospectus includes statements by the Company or includes statements based on any statement of, or information provided by the Company, the Company has consented to each such statement being included in this Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

DISCLAIMER

No person is authorised by the Company or the Joint Lead Managers and Underwriters to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors or any other person in connection with the Offer. People Infrastructure's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. Neither the Company nor any person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under this Prospectus, the repayment of capital or the payment of dividends on the Shares.

This Prospectus includes information regarding People Infrastructure's past performance. Past performance should not be relied upon as being indicative of future performance.

This Prospectus contains forward-looking statements concerning People Infrastructure's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'forecasts', 'guidance', 'goal', 'intend', 'may', 'objective', 'outlook', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions.

Any forward-looking statements are subject to various risks, that are in some cases beyond the Company's control, that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These forward-looking statements are provided as a general guide only and are not guarantees of future performance or development. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate.

Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Sections 1 and 5.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND ON FORECAST FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

The provider of the Independent Limited Assurance Report on Historical Financial Information is BDO Audit and the provider of the Independent Limited Assurance Report on Forecast Financial Information is BDO Corporate Finance. BDO Corporate Finance holds AFSL 245513 and is required to provide Australia retail clients with a financial services guide in relation to the review under the Corporations Act (Financial Services Guide). The Independent Limited Assurance Report on Forecast Financial Information and accompanying Financial Services Guide are provided in Section 8.

AUSTRALIAN AND NEW ZEALAND RESIDENTS

The Offer is available to Australian and New Zealand residents in each state and territory of Australia and each provincial district of New Zealand. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia or New Zealand.

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

The Company is entitled to refuse an application for Shares under this Prospectus if it believes that Applicant received the Offer outside Australia in non-compliance with the laws of the relevant foreign jurisdiction.

NOTICE TO NEW ZEALAND RESIDENTS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

NOTICE TO UNITED STATES RESIDENTS

The Shares being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (the 'US Securities Act') or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable 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 Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving these Shares may not be conducted unless in compliance with the US Securities Act.

IMPORTANT NOTICES

NOTICE TO HONG KONG RESIDENTS

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 Offer Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

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

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

NOTICE TO SINGAPORE RESIDENTS

This document and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Offer Shares, may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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

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

Subject to the relevant provisions of the SFA, where the Offer Shares are subscribed or purchased under section 275 of the SFA by a relevant person who is a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, such Offer Shares of that corporation shall not be transferable within six months after that corporation has acquired the Offer Shares pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer referred to in Section 275(1A) of the SFA; or
- no consideration is given for the transfer; or
- the transfer is by operation of law.

Subject to the relevant provisions of the SFA, where the Offer Shares are subscribed or purchased under section 275 of the SFA by a relevant person who is a trustee of a trust (who is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor, such beneficiaries' rights and interests in that trust shall not be transferable for six months after that trust has acquired the Offer Shares pursuant to section 275 of the SFA unless:

- that transfer is made only to an institutional investor under section 274 of the SFA or to a relevant person as defined in section 275(2) of the SFA, or where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid in cash or by exchange of securities or other assets; or
- no consideration is given for the transfer; or
- the transfer is by operation of law.

The Offer or invitation which is the subject of this Prospectus is not accompanied by any advertisement making an offer or calling attention to the Offer or intended Offer; and no selling or promotional expenses shall be paid or incurred in connection with the Offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by any of the service providers of the Company.

OBTAINING A COPY OF THIS PROSPECTUS

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at www.peopleinfrastructure.com. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus will be available to investors in electronic form at www.peopleinfrastructure.com. Any person accessing the electronic version of this Prospectus, for the purpose of making an investment in the Company, must only access the Prospectus from within Australia or New Zealand, or any jurisdiction outside Australia or New Zealand where the distribution of the electronic version of this Prospectus is not restricted by law.

The Application Form attached to the electronic version of this Prospectus must be used within Australia or New Zealand only. Electronic versions of this Prospectus should be downloaded and read in their entirety.

You may, before the end of the Offer Period, obtain a paper copy of the Prospectus (free of charge) by calling the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST.

Applications for Offer Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.peopleinfrastructure.com. The Corporations Act prohibits any person from passing the Application Form to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. If the Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

APPLICATIONS

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

NO COOLING OFF RIGHTS

Cooling off rights (whether provided at law or otherwise) do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

PRIVACY

By completing an Application Form or authorising a Broker to do so on your behalf, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications, and consent to the collection, storage, use and disclosure of that personal information in accordance with these terms.

That personal information will be collected, held, used and disclosed both in and outside of Australia by the Company, and the Share Registry on its behalf, to process your Application, service your needs as a security holder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company/Share Registry may not be able to process your Application.

Once you become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company's Shareholder register, which will be accessible by the public. This information must continue to be included in the Company's public Shareholder register even if you cease to be a Shareholder.

The Company, and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed following or as otherwise authorised under the *Privacy Act*

1988 (Cth): the Share Registry for ongoing administration of the Company's public Shareholder register, printers and other companies for the purpose of preparation and distribution of documents and or handling mail, the Joint Lead Managers and Underwriters in order to assess your Application, market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning and legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

CURRENCY

Unless otherwise specified, monetary amounts are expressed in Australian dollars. The Financial Information shown in this Prospectus is presented in Australian dollars.

CONVERTIBLE NOTE CONVERSION

All figures disclosed in this Prospectus in relation to the number of Conversion Shares to be issued following completion of the Convertible Note Conversion are based on the Convertible Note Conversion taking place on the Offer Share Allotment Date.

If the indicative timetable changes such that the Offer Share Allotment Date is extended or brought forward the number of Conversion Shares will change as a result of additional interest accruing on the face value of the Convertible Notes.

COMPANY WEBSITE

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

PHOTOGRAPHS AND DIAGRAMS

Any photographs or diagrams used in this Prospectus and that do not have descriptions are for illustrative purposes only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents, or that the Company owns or uses any assets shown in such photographs or diagrams. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

DEFINED TERMS

Some terms used in this Prospectus are defined in the Glossary. All references to time in this Prospectus refer to Australian Eastern Standard Time unless otherwise specified.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

IMPORTANT DATES

Lodgement of the Prospectus with ASIC	20 October 2017
Offer Opening Date	30 October 2017
Offer Closing Date	10 November 2017
Offer Settlement Date	14 November 2017
Offer Shares Allotment Date	15 November 2017
Expected date for despatch of holding statements	17 November 2017
Expected commencement of trading of Shares on ASX (on a normal settlement basis)	22 November 2017

The above timetable is indicative only and may change. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the allocation of Shares, in each case without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled or withdrawn before Completion, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

KEY OFFER STATISTICS

Company	People Infrastructure Ltd
Proposed ASX code	PPE
Shares offered	Fully paid Shares
Issue Price per Offer Share	\$1.00
Number of Offer Shares available under the Offer	25 million Shares
Gross proceeds of the Offer	\$25 million
Total number of Shares expected to be on issue at Completion of the Offer ¹	64,044,200
Indicative market capitalisation at the Issue Price per Offer Share ²	\$64,044,200
Pro forma forecast FY18 EBITDA ³	\$12.0 million
Enterprise value to pro forma forecast FY18 EBITDA (times) ⁴	6.1x
Pro forma forecast FY18 NPATA ⁵	\$7.4 million
Issue Price per Offer Share to pro forma forecast FY18 NPATA per Share (times)	8.6x
Annualised dividend yield for FY18 on the Issue Price per Offer Share (based on the midpoint of the target dividend payout ratio of the pro forma forecast FY18 NPATA)	6.1%

¹ Which includes the Offer Shares, the Shares on issue at the date of this Prospectus and the Shares to be issued upon the Convertible Notes Conversion detailed in Section 10.5.

² Market capitalisation at the Issue Price is defined as the Issue Price multiplied by the total number of Shares expected to be on issue at Completion of the Offer.

³ EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

⁴ Enterprise value calculated as the sum of market capitalisation of the Company at the Issue Price per Offer Share and the net debt contained in the pro forma balance sheet (see Section 4 for further details).

⁵ NPATA is defined as net profit after tax before amortisation.





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LETTER FROM THE CHAIR



Dear Investor,

On behalf of the Board of People Infrastructure Ltd (**Company**), it is my pleasure to invite you to become a Shareholder in a well-established workforce management company with strong growth opportunities.

Our strategy is to be the leading service provider to clients using contracted staffing in their businesses. We deliver flexible, quality, safety-focused and cost-effective workforce management services to a range of clients, who seek a human resources partner that can assist them to meet the challenges of operating their own workforce. Our clients range from large global companies to small-to-medium size businesses.

We are the largest workforce management provider to the high growth community care sector, and a key supplier of services to other growing industries including childcare, infrastructure, mining, food processing, landscaping and hospitality. In the community care sector, total government funding for disability is expected to more than double to \$22 billion over the four years to 2020 through the NDIS. We believe this growth will underpin significant increase in demand for contracted staffing in the community care sector.

People Infrastructure began operating in 1996 with a single office in New South Wales. The Company has grown to 17 locations across Australia and New Zealand with 159 internal employees servicing the needs of more than 3,000 clients, with an Active Pool of over 10,000 quality trusted candidates from a total database of over 40,000. People Infrastructure's contracted staff have worked more than 25 million hours over the past 10 years.

People Infrastructure has a demonstrated history of sustained and growing operational profitability. Over FY15-FY17, People Infrastructure achieved compound annual growth in EBITDA of 12%. In FY18, the Company expects to achieve revenue of \$214 million and EBITDA of \$12.0 million.

People Infrastructure believes that it will continue to deliver strong organic growth due to its exposure to high growth sectors, continued growth in market share, and the long-term structural shift by employers away from permanent staffing towards part-time and casual staffing. In addition, the Company will selectively review acquisition opportunities.

People Infrastructure has a strong and stable management team comprised of group executives and division leaders who have had an average tenure of more than eight years. Managing Director, Declan Sherman, brings expertise in strategy and capital allocation from a distinguished history in financial services and operational consulting. Tom Reardon, Chief Executive Officer AWX Group, has driven People Infrastructure to being one of the leading workforce management groups in Australia.

An offer of 25 million Shares at \$1.00 per Share is being made under this Prospectus to raise \$25 million. The Offer is fully underwritten. New Shareholders will hold approximately 40% of the Shares in the Company upon Completion of the Offer. Existing Shareholders are not selling down any shares in the Offer. The Founder Shareholders, including the Executive Directors have agreed that, on Completion of the Offer, all of their Shares will be subject to voluntary escrow restrictions until the release of the actual FY18 results and the Executive Directors have agreed that 50% of their Shares and Options will continue to be subject to voluntary escrow restrictions until the earlier of the release of the actual FY19 results and 30 September 2019.

The proceeds from the Offer will be used to repay a significant portion of the Company's existing debt facilities, which will position the Company with a conservative balance sheet and the ability to capitalise on its considerable growth opportunities.

This Prospectus contains detailed information about the Offer, the industry in which People Infrastructure operates, its business and its historical and forecast financial performance. People Infrastructure is subject to a range of risks both within and outside of its control, which are discussed in detail in Section 5.

I am truly excited to be working with People Infrastructure as Chairman, a business that has strong growth prospects in an attractive industry. On behalf of my fellow Directors and the People Infrastructure team, we look forward to welcoming you as a Shareholder.

Yours Faithfully

A handwritten signature in black ink, reading "Glen Richards". The signature is fluid and cursive, with a long, sweeping underline that extends across the width of the signature.

Glen Richards
Chairman

1 INVESTMENT HIGHLIGHTS



The information set out in this Section 1 is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Offer Shares under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 INTRODUCTION

Topic	Summary	For more Information
Who is People Infrastructure?	People Infrastructure is a well-established workforce management company that delivers innovative solutions to workforce challenges faced by its clients. People Infrastructure first began operating in 1996 and over 20 years has grown to approximately \$200m in revenue with 17 locations around Australia and New Zealand.	Section 3
What does People Infrastructure do?	People Infrastructure provides contracted staffing and human resources (HR) outsourcing services to enhance the HR function of its clients. Services provided by People Infrastructure include recruiting, on-boarding, rostering, timesheet management, payrolling, and workplace health and safety management.	Section 3
What is the Offer?	The Offer is an initial public offering of 25 million Shares, which are to be issued by the Company at a price of \$1.00 per Share.	Section 7
Why is the Offer being conducted?	<p>The Company is seeking to raise funds to:</p> <ul style="list-style-type: none">– enable ownership of the Company to be shared with the Company’s employees;– provide access to capital markets to improve financial flexibility for growth;– provide funding to repay debt drawn on the Company’s debt facilities;– obtain a listing on the ASX;– provide People Infrastructure the benefits of an increased profile that arises from being a listed entity; and– provide a liquid market for the Shares. <p>Existing Shareholders are not selling down any shares as part of the Offer.</p>	Section 7

1 INVESTMENT HIGHLIGHTS

1.2. KEY FEATURES OF PEOPLE INFRASTRUCTURE'S BUSINESS MODEL

Topic	Summary	For more Information
What is People Infrastructure's business model?	People Infrastructure provides contracted workforce and HR outsourcing services to clients across Australia and New Zealand. There are three key brands that are wholly owned by People Infrastructure - Edmen Community Services, which focuses on the community care sector; AWX, which services the infrastructure, industrial, mining, landscaping and food processing sectors; and Expect-A-Star, which services the childcare sector.	Section 3
Where does People Infrastructure operate?	People Infrastructure operates from 17 locations across Australia and New Zealand.	Section 3
How does People Infrastructure generate income?	The Company generates over 95% of its revenue by charging clients a margin on the wage it pays its contracted workforce. The margin reflects the benefits the client receives by using People Infrastructure for contracted workers rather than directly employing the staff.	Section 3
What is People Infrastructure's strategy?	<p>People Infrastructure's strategy is to be the leading service provider to clients utilising contracted labour in their businesses. It seeks to provide a superior service to its clients, with a focus on safety for its employees. People Infrastructure also seeks to extend its customer reach by delivering efficient, innovative and cost-effective workforce management services targeting a range of clients, from large global companies to small-to-medium size businesses. In addition, the Company is focused on:</p> <ul style="list-style-type: none">- expanding its customer base particularly in sectors it believes will continue to enjoy high growth rates;- leveraging its existing branch network in Australia and expanding its network in New Zealand;- continuing to grow a market leading database of candidates in the niches in which it focuses;- using technology to drive efficiencies for the Company and its clients; and- selectively acquiring businesses that fit the Company's strict acquisition criteria. <p>The consistency and amount of work that People Infrastructure generates means that it is able to attract a leading pool of candidates to provide to its clients in a timely and efficient manner, which is a key competitive advantage.</p>	Section 3

Why do clients use People Infrastructure's services?

Key benefits offered to People Infrastructure's clients include:

Section 3

- workforce flexibility to meet variable levels of demand for labour;
- ability to rapidly solve skills shortages;
- access to a large network of experienced employees;
- lower administrative costs as a result of less internal resourcing to HR services;
- ability to focus on their core business;
- outsourced workplace health & safety responsibilities;
- outsourced administration and responsibility for payroll and industrial relations obligations;
- outsourced recruiting and ongoing training; and
- ability to pay on an invoice basis.

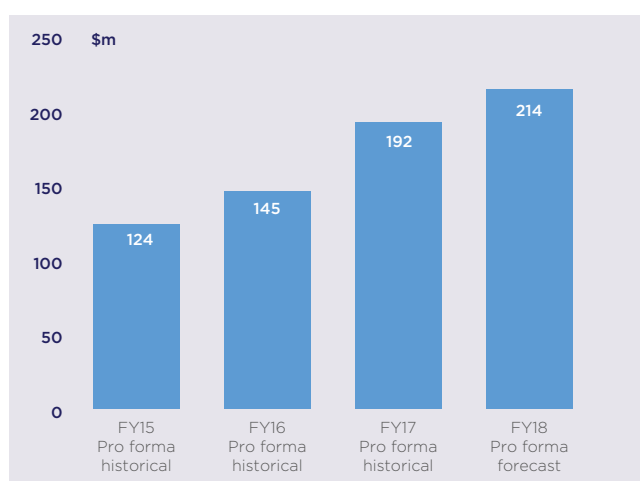
What is People Infrastructure's historical and forecast financial performance?

People Infrastructure's pro forma historical financial performance, pro forma forecast financial performance and statutory forecast financial performance is summarised in the table below.

Section 4

	Pro forma historical			Pro forma forecast	Statutory forecast
\$ millions	FY15	FY16	FY17	FY18	FY18
Revenue	123.7	145.6	192.0	214.2	214.2
EBITDA	8.2	8.9	10.3	12.0	11.6
NPATA	5.0	5.2	6.2	7.4	6.4

The following chart demonstrates the growth in revenue over the last 3 years in the People Infrastructure business:



How will People Infrastructure seek to generate returns for investors?

The Company seeks to continue to drive growth in earnings through organic growth and acquisitions. The Company will reinvest in the business to generate the growth as well as pay out excess cash flow as dividends.

Section 3

1 INVESTMENT HIGHLIGHTS

How does People Infrastructure expect to fund its operations?

Following Completion of the Offer, the Company will have sufficient funds available from existing cash reserves and its business operations to achieve the stated business objectives summarised in Section 3.

Section 3

A breakdown of the manner in which the Company expects to use the Offer proceeds is set out in the table in 'How will the proceeds of the Offer be used?'.

How will the proceeds of the Offer be used?

The table below sets out a summary of the anticipated use of the proceeds of the Offer.

Section 4

Use of proceeds	\$ millions
Repayment of debt facilities	19.6
Fund working capital	3.2
Pay costs of the Offer	2.2
Total	25.0

The Directors believe that on Completion of the Offer the Company will have sufficient funds available from the cash proceeds of the Offer and the Company's operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

What is the Company's dividend policy?

The Directors intend to target a dividend payout ratio of between 45-60% of the Company's annual NPATA, franked to the maximum extent available. The level of the dividend payout ratio is expected to vary between periods depending on the factors outlined below.

Section 4

The payment of a dividend by People Infrastructure is at the discretion of the Directors and will be a function of a number of factors, including general business conditions, the operating results and financial condition of People Infrastructure, future funding requirements, compliance with funding facilities, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend or the level of franking on any such dividend.

It is the current intention of the Board to pay interim dividends in respect of half years ending 31 December (other than the half year ending 31 December 2017) and final dividends in respect of full years ending 30 June each year. It is anticipated that interim dividends will be paid in March and final dividends will be paid in September following the end of the relevant financial period.

When will the first dividend be paid after completion?

It is the current intention of the Board to pay the Company's first post Listing dividend in September 2018 in respect of the full year result ending 30 June 2018 and for such dividend to reflect the target payout ratio of NPATA for the portion of the financial year post Listing.

Section 4

1.3. SUMMARY OF KEY STRENGTHS

Topic	Summary	For more Information
Contracted workforce industry supported by macro trends	<p>Economy-wide growth in demand for contracted staffing and HR outsourcing services has been driven by:</p> <ul style="list-style-type: none"> – increased casualisation of the workforce; – growth in aggregate hours worked and wages in the economy; – increased regulation, complexity and compliance costs associated with direct employment; – businesses seeking flexibility in operating costs due to economic uncertainty; – difficulties of directly employing staff with the appropriate skill sets; – employees seeking variety and flexibility of employment; and – increase in female participation in the workforce. 	Section 2
Exposure to high growth sectors and focus on SMEs	<p>People Infrastructure is the largest provider of workforce management services to the disability sector and a key supplier of services to other growth industries including childcare, infrastructure, mining, food processing, landscaping and hospitality. In the community care sector, total government funding for disability is expected to more than double to \$22bn over the four years to 2020 under the National Disability Insurance Scheme (NDIS).</p> <p>A focus on providing contracted staffing solutions for small to medium sized organisations has facilitated greater client diversity and higher margins.</p>	Section 3
Well established position in the industry with a national footprint	<p>People Infrastructure operates across Australia and New Zealand with a network of 17 locations, and 159 internal employees servicing the needs of more than 3,000 clients and an Active Pool of over 10,000 candidates from a total database of over 40,000. People Infrastructure's contracted staff have worked more than 25 million hours over the past 10 years.</p> <p>People Infrastructure's scale and national network allows it to service large national clients while retaining close relationships with local businesses.</p>	Section 3
Track record of profitability and scalable business model	<p>People Infrastructure has a demonstrated history of sustained and growing operational profitability.</p> <p>Over FY15-FY17, People Infrastructure achieved compound annual growth in EBITDA of 12%. In FY18, the Company expects to achieve revenue of \$214 million and EBITDA of \$12.0 million.</p> <p>Historical investment by People Infrastructure in its candidate database, technology, branch network, business infrastructure, policies, procedures and people has laid a foundation for future growth, both organic and by acquisition.</p> <p>The leadership team of People Infrastructure has a track record of successfully acquiring and integrating businesses.</p>	Section 3

1 INVESTMENT HIGHLIGHTS

Large and quality database of workers	Over the past 20 years, People Infrastructure has developed one of the largest databases of workers in Australia. In the sectors in which it focuses, it has developed a strong network of quality candidates that it is able to provide to its clients in a timely manner.	Section 3
Industry leading technology	People Infrastructure has developed a proprietary end-to-end paperless workforce management system which provides simplicity, clarity and efficiency for clients. For the community care sector, People Infrastructure has developed a digital operating platform which provides fully integrated and enhanced HR functionality for its clients.	Section 3
Long standing client relationships	Client relationships have been developed by People Infrastructure over an extended period of time and are built on quality of service, close relationships with key stakeholders, a focus on safety and strong branding. People Infrastructure has a relatively low client churn rate. The average tenure of the top 20 clients across the business is more than five years.	Section 3
Strong safety record	People Infrastructure has an industry leading safety record, which highlights its focus on safety for its employees and allows it to attract and retain clients. In addition, a strong safety record drives work-cover rates below the industry average, providing insurance premium savings and enhancing the Company's margin.	Section 3
Strong leadership team	<p>People Infrastructure has a highly skilled executive management team that has been instrumental in driving the growth of the business:</p> <ul style="list-style-type: none">– Declan Sherman (Managing Director) has overseen the growth of the business as People Infrastructure and is highly experienced in strategy, capital allocation and corporate governance.– Tom Reardon (CEO AWX Group and Executive Director) joined the business in 2003 and has been responsible for major growth in the AWX brand as well as launching other workforce brands that are part of People Infrastructure, including Mobilise and Timberwolf. <p>The addition of Glen Richards and Elizabeth Savage as directors of the Company is expected to continue to drive the growth of the business:</p> <ul style="list-style-type: none">– Glen Richards (Chairman) has over 26 years of experience in the retail and professional services sectors with extensive operational experience in fast growing companies, especially in health care and allied health sectors.– Elizabeth Savage (NED) has extensive commercial leadership and strategic development experience, having held senior executive roles scaling international corporations easyJet Plc, Monarch Travel Group and, most recently, as Group Executive Commercial of Virgin Australia Airlines Pty Ltd. <p>There is also strong alignment between the interests of the Company and senior management, with senior management owning approximately 17.49% of the Company following Completion of the Offer.¹</p>	Section 6

¹ This includes the % of Shares held by Declan Sherman (and the entities he controls) and Tom Reardon (and the entities he controls).

1.4. KEY RISKS

Topic	Summary	For more Information
Downturn in the employment market	The performance of the Company will be influenced by the overall employment market and general economic conditions in Australia, which are, by their nature, cyclical and subject to change. A downturn in the Australian economy generally, or the industries and sectors that People Infrastructure operates in, may adversely impact the Company's financial performance.	Section 5
Contractor/ employee risk and exposure to litigation	People Infrastructure places staff in the workplaces of other businesses and has joint responsibility under applicable occupational health and safety laws for staff that are placed with clients. In certain circumstances it is possible that People Infrastructure may be held responsible for the actions at a workplace of persons not under its direct control. Should an adverse event relating to an employee's health or safety occur, this may impact People Infrastructure's reputation and its ability to win business.	Section 5
Increase in competition	The industry within which People Infrastructure operates is highly competitive. The Company's performance could be adversely affected if existing or new competitors reduce its market share, and existing or new competitors have substantially greater resources and access to more markets than the Company.	Section 5
Regulatory risk	There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally. For example, the federal and state governments are currently exploring regulatory changes to the labour hire industry which may result in, among other things, the requirement for labour hire providers to maintain a license to operate in the industry. The Queensland government has recently passed the <i>Labour Hire Licensing Act 2017</i> (Qld) which establishes a mandatory labour hire licensing scheme for labour hire companies with penalties for breach of their obligations including potential loss of licence. This could adversely impact the financial results of People Infrastructure if it is unable to secure the licenses required or if it were to lose its licence or if the cost of compliance with new regulations becomes material to the business. In addition, government and trade union regulation may lead to changes to the existing awards and agreements People Infrastructure has in place with clients and employees, which may adversely impact the Company.	Section 5
Reliance on key personnel	The Company's success is, to a significant degree, dependent upon the efforts, experience and knowledge of its management team. The loss of key members of management, a change in the senior management team or the failure to attract additional skilled individuals to key management roles, could have a material adverse effect on the Company's operations, including its relationships with key customers and suppliers.	Section 5

1 INVESTMENT HIGHLIGHTS

Integration of recent acquisitions	People Infrastructure recently acquired AWX and Edmen. The Company is moving through a process of integrating the operations of these companies, which carries potential integration risks. Any unforeseen integration issues may adversely impact the Company's operating results.	Section 5
Maintenance of professional reputation and brand name	The Company's success is reliant on the reputation of its various brands, including: Edmen Community Services, which focuses on the community care sector; AWX, which services the infrastructure, industrial, mining, landscaping and food processing sectors; and Expect-A-Star, which services the childcare sector. Unforeseen issues or events, which place the relevant division's reputation at risk, may impact future growth and profitability.	Section 5
Concentration of customers/ loss of material contracts	People Infrastructure generates a significant amount of revenue from a limited number of key customer relationships. A loss of business from, or cancellation of a contract by, these key customers may have a material impact on the Company's earnings and financial position.	Section 5
Suitable candidates	The ability of the Company to satisfy demand for its services is dependent on maintaining, sourcing and attracting a pool of suitable candidates in order to fill positions. A further tightening of the labour market may reduce the availability of suitable candidates and may impact People Infrastructure's ability to place such candidates.	Section 5
Identification of suitable acquisition targets	The Company may in the future choose to seek appropriate business acquisitions or make significant investments in companies. Any such transaction will expose the Company to the risks commonly associated with making business acquisitions.	Section 5
Change in client circumstances	People Infrastructure provides services to clients operating in rapidly evolving industries, including the disability services sector, which is being impacted by the change to disability funding through implementation of the NDIS. Changes to client circumstances as a result of their industries evolving may adversely impact their demand for People Infrastructure's services, and negatively impact the Company's operating results and financial position.	Section 5
Loss of customer contracts	The Company generally provides services to clients under relatively short-term arrangements. Clients are typically able to reduce or cancel their use of the Company's services and terminate relevant contracts without penalty at relatively short notice.	Section 5

Counter-party default	People Infrastructure generally enters into arrangements where it is responsible for all wages and remuneration payable to contracted staff. Typically, clients of People Infrastructure are then charged on the basis of hours of work performed. If a material portion of clients were to default in payment under their respective arrangements with People Infrastructure, this could have a material adverse effect on People Infrastructure's business, operating results and financial condition.	Section 5
Financing risk	The Company may require further funding in the future to maintain and grow its business or fully exploit business opportunities available to it. There can be no assurance that People Infrastructure will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.	Section 5
Change in client preferences	There is a risk that client preferences for and/or behaviours with respect to outsourcing the human resources role will change or evolve such that demand for the Company's services is reduced. The loss of customers would have an adverse impact on the revenue and financial position of the Company.	Section 5
Technology risks	People Infrastructure relies on proprietary and third-party software and hardware to operate the business. This technology is critical in managing its employees, clients and reporting requirements. Any significant interruption to these systems could adversely impact the Company's business, operating results and financial position.	Section 5
Other risks	The above risks are a summary of some of the key risks, but are not an exhaustive list of all the risks associated with an investment in the Company. Full details of the risks summarised in this Section and other key risks are included in Section 5, and investors are recommended to review all of those risks carefully before making an investment decision.	Section 5

1 INVESTMENT HIGHLIGHTS

1.5. OTHER DETAILS ABOUT THE COMPANY

Topic	Summary	For more Information
What is the capital structure of the Company?	<p>The Company has unlisted Convertible Notes on issue with a face value of approximately \$11,020,000, which are convertible into Shares in the manner set out in the Convertible Note terms of issue.</p> <p>These Convertible Notes were issued on or around April 2017. Refer to Section 10.5 for a summary of the terms of the Convertible Notes.</p> <p>As set out below and in Section 10.5, it is intended that all of the Convertible Notes held by Noteholders will convert on the Offer Shares Allotment Date in the manner set out in that Section (Convertible Note Conversion).</p> <p>At Completion of the Offer and the Convertible Note Conversion it is expected that there will be 64,044,200 Shares on issue in the Company.</p> <p>As set out in Section 10.6, the Company has also issued:</p> <ul style="list-style-type: none">(a) 100,000 options to Director, Elizabeth Savage; and(b) 200,000 options to Director, Glen Richards, <p>prior to Completion of the Offer (NED Options).</p> <p>The exercise price of the NED Options is the Issue Price and the exercise of the Options will not be subject to vesting conditions.</p> <p>As set out in Section 10.7, the Company has issued 680,000 options to Tom Reardon prior to Completion of the Offer (Reardon Options).</p> <p>The exercise price of the Reardon Options is \$1 and the exercise of the Options is subject to certain vesting conditions detailed in Section 10.7.</p> <p>The Company will also issue Performance Rights pursuant to the terms of the 2017 Performance Rights Plan (refer to Section 11.8 for details). 500,000 Performance Rights are on issue to each of Declan Sherman and Tom Reardon as at the date of this Prospectus. These Performance Rights are subject to certain vesting conditions based on total shareholder return and earnings per share growth over a period of 4 years and are further detailed in Section 11.8.</p> <p>There are no other classes of securities currently on issue.</p>	Sections 10 and 11
What is the Convertible Note Conversion?	<p>As at the date of this Prospectus there are 1,102 Convertible Notes on issue with a face value of approximately \$11,020,000. Under the terms of issue, the Company was required, and has now issued, a notice to Noteholders in respect of the initial public offering. Upon receipt of this notice, Noteholders were deemed to have elected to convert their Convertible Notes into Shares on Completion of the Offer (Conversion Shares) with the conversion expected to take effect on the Offer Shares Allotment Date.</p> <p>There will be no Convertible Notes on issue after Listing.</p> <p>The Conversion Shares issued to Noteholders will be subject to voluntary escrow arrangements described in Sections 10.8 and 11.7.</p>	Sections 10 and 11

What significant benefits and interests are payable to the Directors and other persons connected with the Offer?	<p>(a) Executive remuneration is described in Section 6;</p> <p>(b) Advisers and other service providers will receive fees for services on the terms set out in Section 11;</p> <p>(c) Non-Executive Directors will receive remuneration and fees on ordinary commercial terms as described in Section 6.</p> <p>Further details of the significant interests of key people, related party transactions and advisor and service provider fee entitlements are set out in Sections 6 and 11.</p>	Sections 6 and 11
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Who are the Company's substantial shareholders at the date of this Prospectus and what interests will they have after the Offer?	<p>Substantial holders of the Company (being those parties with relevant interests in more than 5% of the Company's voting shares), following Completion of the Offer, will be as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Number of Shares held as at the date of Completion of the Offer¹</th> <th style="text-align: center;">Percentage held</th> </tr> </thead> <tbody> <tr> <td>Investco Services²</td> <td style="text-align: center;">7,951,331</td> <td style="text-align: center;">12.42%</td> </tr> <tr> <td>AP Brosnan</td> <td style="text-align: center;">6,078,999</td> <td style="text-align: center;">9.49%</td> </tr> <tr> <td>Andnatco AWX</td> <td style="text-align: center;">5,892,323</td> <td style="text-align: center;">9.20%</td> </tr> <tr> <td>Nambawan Investments³</td> <td style="text-align: center;">3,254,735</td> <td style="text-align: center;">5.08%</td> </tr> </tbody> </table> <p><small>1 Following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.</small></p> <p><small>2 A shareholding entity controlled by Managing Director, Declan Sherman.</small></p> <p><small>3 A shareholding entity controlled by CEO AWX Group, Tom Reardon.</small></p>		Number of Shares held as at the date of Completion of the Offer ¹	Percentage held	Investco Services ²	7,951,331	12.42%	AP Brosnan	6,078,999	9.49%	Andnatco AWX	5,892,323	9.20%	Nambawan Investments ³	3,254,735	5.08%	Section 11
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Nambawan Investments ³	3,254,735	5.08%															

1.6. DIRECTORS AND KEY MANAGEMENT

Topic	Summary	For more Information
Who are the directors of the Company?	<p>The Board is composed of executives based in Australia, with a broad and diverse range of business experience.</p> <p>The Directors of the Company are:</p> <ul style="list-style-type: none"> – Glen Richards – Chairman and Independent Non-Executive Director; – Declan Sherman – Managing Director and Executive Director; – Tom Reardon – CEO AWX Group and Executive Director; and – Elizabeth Savage – Independent Non-Executive Director. <p>Refer to Section 6 for further details regarding the background of the Directors.</p>	Section 6
Who are the key senior executives of the Company?	<p>The Company's executive team is located in Australia and is supported by all employees across the People Infrastructure business. Please refer to Section 3 for more information.</p> <p>The executive team is comprised of:</p> <ul style="list-style-type: none"> – Declan Sherman – Managing Director and Executive Director; – Tom Reardon – CEO AWX Group and Executive Director; and – Linda Cascone – Chief Financial Officer. <p>Refer to Section 6 for further details regarding the background of the executive team.</p>	Sections 3 and 6

1 INVESTMENT HIGHLIGHTS

What are the interests held by Directors in the Company?

The following table sets out the relevant interests of Directors who hold a direct or indirect interest in the Company, both at the date of this Prospectus and their expected interests upon Completion of the Offer.

Section 11

	Class of Security	Number as at the date of this Prospectus	Number at Completion of the Offer ¹
Declan Sherman	Shares	7,951,331	7,951,331
	Performance Rights ²	500,000	500,000
Tom Reardon	Shares	2,431,599	3,254,735
	Convertible Notes	50	-
	Reardon Options	680,000	680,000
	Performance Rights	500,000	500,000
Glen Richards	Shares	-	500,000
	NED Options	200,000	200,000
Elizabeth Savage	NED Options	100,000	100,000

¹ Following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.

² Directors may be eligible to receive Performance Rights under the 2017 Performance Rights Plan post the Listing Date. Any issue of Performance Rights will require pre-approval under ASX Listing Rule 10.14.

1.7. ABOUT THE OFFER

Topic	Summary	For more Information
What is the Offer?	The Offer is an initial public offer to acquire 25 million Shares in the Company at an issue price of \$1.00 per Share, to raise \$25 million. For details relating to the rights and liabilities of the Shares, please refer to Section 11.	Section 7
Who is the issuer of this Prospectus?	People Infrastructure Ltd ACN 615 173 076.	Section 3
How is the Offer structured and who will be eligible to participate?	The Offer comprises: <ul style="list-style-type: none"> – the Broker Firm Offer, which is open to persons who receive an allocation of Shares from their Broker and who have a registered address in Australia or New Zealand; and – the Institutional Offer, which consisted of an invitation to bid for Shares made to Institutional Investors. 	Section 7

What is the minimum application size?	<p>\$2,000 for 2,000 Offer Shares, with incremental multiples of 500 Offer Shares (i.e. incremental multiples of at least \$500).</p> <p>There is no maximum Application under the Broker Firm Offer or the Institutional Offer.</p> <p>The Company reserves the right to scale back any Applications in the Broker Firm Offer or Institutional Offer.</p> <p>The Company reserves the right to aggregate any Applications that it believes may be multiple Applications from the same person.</p>	Section 7
How do I apply?	<p>If you are an eligible investor, you may apply for Offer Shares under the Offer by completing the Application Form that forms part of, is attached to, or accompanies this Prospectus. To the extent permitted by law, an Application under the Offer is irrevocable.</p>	Section 7
What do Applicants pay when applying under the Offer?	<p>All Applicants under the Offer will pay an Issue Price of \$1.00 per Share.</p>	Section 7
What is the Allocation Policy?	<p>The allocation of Shares between the Broker Firm Offer and the Institutional Offer shall be determined by the Joint Lead Managers and Underwriters, in consultation with the Company.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they wish to allocate Shares among their eligible retail clients.</p> <p>The allocation of Shares among Applicants in the Institutional Offer was determined by the Joint Lead Managers and Underwriters, in consultation with the Company.</p> <p>There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply. The Company reserves the right in its absolute discretion to not issue Offer Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Offer Shares than those applied for at its absolute discretion.</p>	Section 7
When will I receive confirmation whether my Application has been successful?	<p>The Company expects that holding statements confirming Applicants' allocations under the Offer will be sent to successful Applicants by standard post on or around 17 November 2017.</p>	Section 7
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 22 November 2017, subject to ASX confirmation.</p> <p>It is the responsibility of each Applicant to confirm their own holdings before trading on the ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at their own risk.</p>	Section 7

1 INVESTMENT HIGHLIGHTS

Who are the Joint Lead Managers of the Offer?	Morgans Corporate Limited and Ord Minnett Limited.	Section 7																					
Is the Offer underwritten?	<p>The Offer is fully underwritten by Morgans Corporate Limited and Ord Minnett Limited.</p> <p>If the Company does not receive applications for the full amount of 25 million Shares under the Offer, the Joint Lead Managers and Underwriters will subscribe for, or procure subscriptions for, any shortfall.</p> <p>Refer to Section 10 for full details of the Underwriting Agreement.</p>	Section 7																					
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage or stamp duty is payable by Applicants on the acquisition of Offer Shares under the Offer.	Section 7																					
What will the capital structure of the Company be at Completion of the Offer?	<p>On completion of the Offer, the capital structure of the Company will be as set out below:¹</p> <table border="1" data-bbox="352 1128 1134 1733"> <thead> <tr> <th data-bbox="352 1184 453 1218">Shares</th> <th data-bbox="756 1184 900 1218">Shares held</th> <th data-bbox="986 1128 1129 1218">Percentage held in class</th> </tr> </thead> <tbody> <tr> <td data-bbox="352 1234 628 1267">Existing Shareholders</td> <td data-bbox="715 1234 941 1267">39,044,200 Shares</td> <td data-bbox="1010 1234 1106 1267">60.96%</td> </tr> <tr> <td data-bbox="352 1283 612 1350">Shares issued under the Offer</td> <td data-bbox="715 1283 941 1317">25,000,000 Shares</td> <td data-bbox="1010 1283 1106 1317">39.04%</td> </tr> <tr> <td data-bbox="352 1366 660 1433">Total Shares on issue at Completion of the Offer</td> <td data-bbox="756 1366 900 1400">64,044,200</td> <td data-bbox="1010 1366 1106 1400">100.00%</td> </tr> <tr> <td data-bbox="352 1449 660 1516">NED Options on issue at Completion of the Offer</td> <td data-bbox="772 1449 884 1482">300,000</td> <td data-bbox="1010 1449 1106 1482">100.00%</td> </tr> <tr> <td data-bbox="352 1532 644 1621">Reardon Options on issue at Completion of the Offer</td> <td data-bbox="772 1532 884 1565">680,000</td> <td data-bbox="1010 1532 1106 1565">100.00%</td> </tr> <tr> <td data-bbox="352 1637 644 1727">Performance Rights on issue at Completion of the Offer</td> <td data-bbox="756 1637 900 1671">1,000,000</td> <td data-bbox="1010 1637 1106 1671">100.00%</td> </tr> </tbody> </table>	Shares	Shares held	Percentage held in class	Existing Shareholders	39,044,200 Shares	60.96%	Shares issued under the Offer	25,000,000 Shares	39.04%	Total Shares on issue at Completion of the Offer	64,044,200	100.00%	NED Options on issue at Completion of the Offer	300,000	100.00%	Reardon Options on issue at Completion of the Offer	680,000	100.00%	Performance Rights on issue at Completion of the Offer	1,000,000	100.00%	Section 11
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<p>¹ Following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.</p>																							

Are there any escrow arrangements?	<p>Certain Founder Shareholders, other than the Executive Director Shareholders will be subject to voluntary escrow arrangements until the business day after the release of the Company's annual results for the financial year ending 30 June 2018. The Shares subject to these arrangements represent 21.89% of the total Shares on issue on Completion of the Offer.</p> <p>The Executive Director Shareholders will be subject to voluntary escrow arrangements until the business day after the release of the Company's annual results for the financial year ending 30 June 2018, with 50% of their Shares and Options being subject to a further voluntary escrow period ending the earlier of the business day after the release of the Company's annual results for the financial year ending 30 June 2019 and 30 September 2019. The Shares subject to these arrangements represent 17.49% of the total Shares on issue on Completion of the Offer.</p> <p>All other Existing Shareholders will be subject to voluntary escrow arrangements ending either:</p> <ul style="list-style-type: none"> (a) six months after the date of Listing; or (b) the business day after the release of the Company's results for the half year ending 31 December 2017, <p>as detailed in Section 11.</p> <p>The Company will also have a relevant interest in approximately 60.96% of the Shares on Completion of the Offer, pursuant to voluntary escrow agreements, for which ASIC has granted the Company relief.</p>	Sections 10 and 11
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the Offer Share Allotment Date.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any refunded Application Monies.</p>	Section 7
Can the Offer period be closed early or extended?	<p>The Company reserves the right to close the Offer early, extend the Offer Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Any change to the Offer Closing Date (including if closed early or extended) will have a consequential effect on the date for the issue of the Shares.</p> <p>Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.</p>	Section 7
Is there a cooling-off period?	No.	Not applicable

1 INVESTMENT HIGHLIGHTS

Will the Company's Shares be listed?	The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List and will seek quotation of the Shares on the ASX.	Section 7
What are the tax implications of investing in the Shares?	<p>The tax consequences for an investor of any investment in the Shares will depend upon the investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.</p> <p>A summary of the general tax implications of participating in the Offer for Australian and New Zealand resident investors is set out in Section 9 below.</p>	Section 9
How can I obtain further information?	<p>If you would like more information or have any questions relating to the Offer, please call the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST.</p> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>	Important notices

2 INDUSTRY OVERVIEW



People Infrastructure provides workforce management services including contracted staffing and human resource (HR) outsourcing for clients in Australia and New Zealand. People Infrastructure operates across key sectors of the economy including community services (disability, aged care, youth care), childcare, infrastructure, mining, food processing, landscaping and hospitality.

This Section provides an overview of the industry and an analysis of the community services sector, which is the largest sector for People Infrastructure, accounting for approximately 31% of the Company's gross profit.

2.1. WORKFORCE MANAGEMENT SERVICES

Organisations engage providers of workforce management services to screen, recruit, train and employ casual and part-time staff, providing a cost-effective approach to managing workforce requirements.

Contracted staffing organisations provide companies with access to skilled and unskilled labour on a non-permanent or contracted basis. Contracted workforces are engaged by clients to carry out short-term assignments, cover peak demand periods, cover specific skill requirements or act as a substitute for permanent staff. Other HR outsourcing services include recruiting, training, rostering, payroll and reporting services and allowing clients to focus on their core business while outsourcing administrative tasks to specialist providers.

Some benefits of using outsourced workforce management services for clients include:

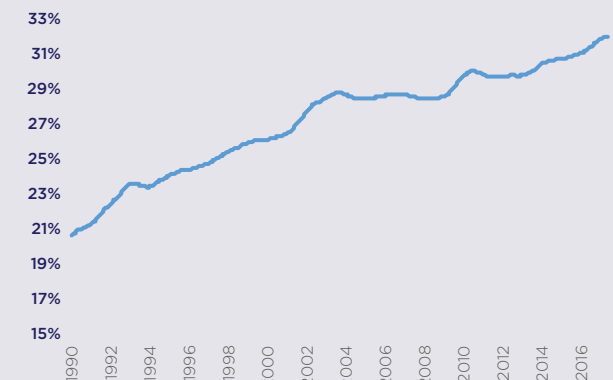
- the flexibility to meet variable levels of demand;
- the ability to manage skills shortages;
- lower administrative costs as a result of less internal resourcing to HR services;
- the ability to focus on the core business and higher value permanent staff;
- outsourcing recruiting, training and workplace health & safety responsibilities;
- outsourcing administration and responsibility for payroll and industrial relations obligations; and
- the ability to pay on an invoice basis.

There is a progressive economy-wide shift away from permanent employment towards casual and part-time roles by workers as they seek control over their careers. This includes the flexibility to work when desired, access to roles which may otherwise be unavailable and the variety of opportunities to test different industries while determining a career path.

2.2. MARKET TRENDS

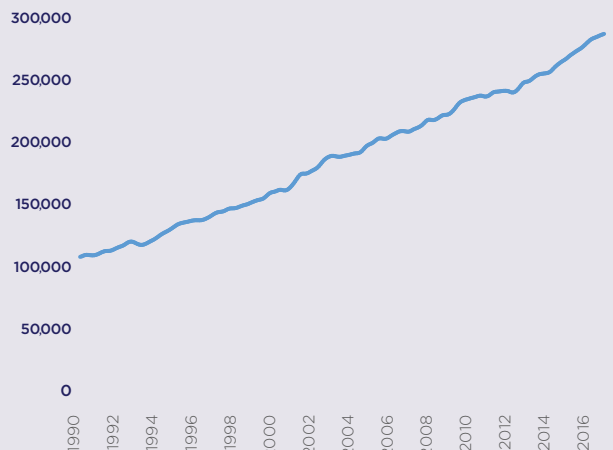
Growth in demand for contracted workforce and HR outsourcing services across Australia has been driven by a casualisation of the workforce. This trend is demonstrated by the growth of part-time work. The level of part-time employment as a percentage of total employment in the Australian workforce has grown from 20.6% in 1990 to 31.9% in 2017.¹ In addition, total part-time hours worked as a proportion of overall hours worked in the economy has expanded significantly, from 8.9% in 1990 to 16.8% in 2017, representing a 3.7% CAGR.²

FIGURE 2.1:
PART-TIME WORK AS A PERCENTAGE OF TOTAL EMPLOYMENT



Source: ABS

FIGURE 2.2:
PART-TIME HOURS WORKED ('000)



Source: ABS

1 Australian Bureau of Statistics (ABS), Australian labour market statistics, July 2017

2 ABS, Australian labour market statistics, July 2017

2 INDUSTRY OVERVIEW

Management estimates that the contracted workforce market in Australia generated approximately \$20 billion in revenue in 2016-17 and expects this to grow by approximately 2.4% per year over the next five years.

Total employment in Australia is projected to increase from 12.11 million to 13.06 million people (a 7.8% increase or 1.5% CAGR) over the five years to 2022.³ The distribution of growth is projected to vary across industries, occupations, skill levels and regions. There is a structural shift in employment towards services sectors, with the largest growth expected in the health care and social assistance services (including community and childcare services). This sector is expected to increase by 16.1% or 250,500 workers from 2017 to 2022 underpinned by Australia's aging population, increasing demand for childcare and higher funding for disability services.⁴

Growth in the contracted workforce industry is also supported by ongoing wages growth. The employment wage price index (WPI) for Australia over the 20 years to 2017 has recorded an average growth rate of 3.2% per annum.⁵

There is a trend in Australia and New Zealand towards part-time and casual employment, with companies seeking the most efficient method of managing HR requirements. This reflects a growing preference for flexible work arrangements by both employees and employers. In addition, employers are reluctant to take on permanent staff during periods of political and economic uncertainty and use contracted workforces to fulfil employment requirements.

2.3. INDUSTRY GROWTH DRIVERS

Future growth in the contracted workforce sector will be influenced by a range of industry drivers, including:

- further casualisation of the workforce;
- growth in aggregate hours worked and wages in the economy;
- increased regulation, complexity and compliance costs associated with direct employment;
- businesses seeking flexibility in operating costs due to economic uncertainty;
- difficulties of directly employing staff with the appropriate skill sets;
- employees seeking variety and flexibility of employment; and
- an ongoing increase in female participation in the workforce.

Demand for contracted workforce services can be strong during periods of buoyant or weak economic growth. When unemployment is low and the economy is strong, demand for contracted workers is high as competition for labour increases and companies have challenges managing skills shortages. Alternatively, when the economy slows, demand for contracted workers may increase as employers are reluctant to employ permanent staff during uncertain economic times.

2.4. COMPETITIVE LANDSCAPE

The contracted workforce and HR outsourcing industry is highly fragmented with no single provider taking up a significant share of the market. Companies operating in the industry range from large global organisations to small local businesses and provide staffing services to a wide range of industries and sectors. These service providers typically have different target clients based on capacity and willingness to service.

³ Labour Market Information Portal, Employment Outlook to November 2022, 2017 Industry Employment Projections - five years to May 2022

⁴ Labour Market Information Portal, Employment Outlook to November 2022, 2017 Industry Employment Projections - five years to May 2022

⁵ ABS, Wage Price Index, Australia, Mar 2017, Cat No 6345.0, Table 1.

2.5. KEY WORKFORCE SECTORS

People Infrastructure operates across key growth sectors that feature substantial demand for workforce services, including community services, childcare, infrastructure, mining, industrial and hospitality.

Sector	Description
Community services	<p>The community services sector is a major employer through not-for-profit, for-profit and government organisations. Growth in demand for employees in the community services sector is expected to significantly outpace the broader labour market, driven by an aging population and higher funding for disability services due to the roll out of the NDIS.</p> <p>For further detail on this sector refer to Section 2.6.</p>
Childcare	<p>The childcare services sector in Australia accounts for approximately 149,500 employees and is projected to increase by 13.7% from 2017 to 2022. Growth in the childcare services sector is driven by population growth, increase in household disposable income and an increase in female participation in the workforce. In addition, growth is supported by a major increase in government funding that is improving the accessibility of services, with the Government planning to invest \$37.3 billion in child care over three years from July 2017 to help ease cost of living pressures for around one million Australian families, including those that need before and after school care for their children⁶.</p>
Infrastructure	<p>The infrastructure sector in Australia, which includes construction, electricity, gas and water services, employs approximately 1.2 million people or 10.2% of the total workforce. Employment in the sector is projected to increase by 9.1% from 2017 to 2022. Infrastructure spending is a key pillar of future economic growth for Australia, driving increased demand for labour to support major investment.</p>
Mining	<p>The mining sector in Australia accounts for approximately 231,100 employees, approximately 1.9% of the total workforce. Demand for labour in the mining sector has increased due to a recovery in commodity prices and higher demand for resources. Future growth will be supported by higher demand for resources and a recovery in the capital investment cycle. In addition, high levels of volatility in commodity prices may lead to greater demand for outsourced staffing as miners seek to maintain a variable cost base.</p>
Food processing	<p>The food processing sector in Australia accounts for approximately 197,700 employees. Demand for labour in the sector will be underpinned by population growth and increased demand for Australia's food exports.</p>
Hospitality	<p>The hospitality sector in Australia accounts for approximately 872,200 employees and is projected to increase by 11.2% from 2017 to 2022. Higher gross household incomes and major growth in tourism will continue to drive an increase in demand for hospitality workers.</p>

Source: All statistics in the table above are sourced from *Labour Market Information Portal, Employment Outlook to November 2022, 2017 Industry Employment Projections - Five years to May 2022* unless otherwise noted.

2 INDUSTRY OVERVIEW

2.6. COMMUNITY SERVICES SECTOR

2.6.1. OVERVIEW

The community services sector is the largest industry exposure for People Infrastructure and a key area of focus for its business. People Infrastructure has been operating in the community services sector for over 10 years.

The sector comprises a diverse group of organisations including government, not-for-profits and for-profit businesses. These organisations provide support services to provide care for those that require assistance and create greater opportunities for Australians to contribute to the economy.

2.6.2. SECTOR TRENDS

The Australian community services sector is moving through a period of major growth, which is driving strong demand for labour requirements. The sector, which includes residential care and social assistance services, is projected to make the largest contribution to employment growth from 2017 to 2022. The growth is underpinned by Australia’s aging population and major growth in disability funding with the implementation of the NDIS.

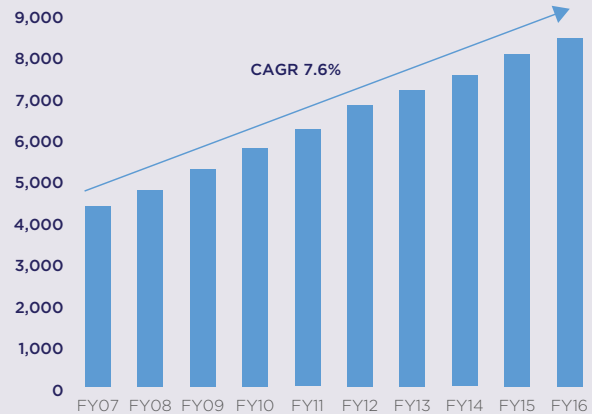
In 2015-16, total Australian government expenditure on community services was estimated at \$30.7 billion, equivalent to 1.9% of GDP and 10% of total government spending.⁷ The largest area of growth for government expenditure is forecast to be in the disability sector, which reflects the implementation of the NDIS and includes Commonwealth, State and Territory contributions to the Scheme. Also contributing to growth in the sector is government expenditure on assistance to the aged.⁷

2.6.3. DISABILITY SERVICES

The disability services sector comprises organisations that provide support to people who require disability assistance. People Infrastructure is a key provider of contracted workforce and HR outsourcing services to organisations in the sector.

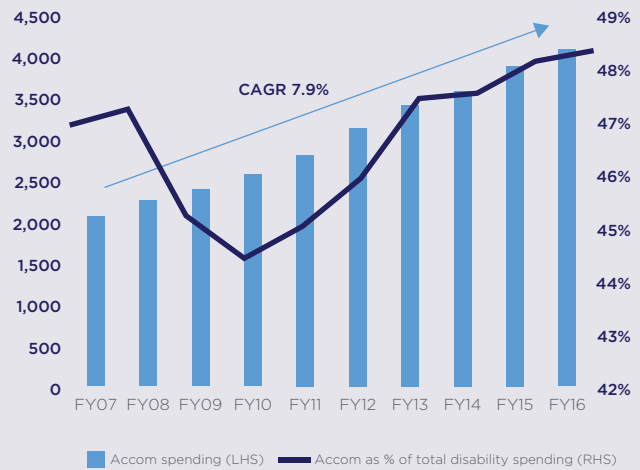
Total government funding for disability services was \$8.4 billion in FY16, with annual growth in funding for the sector averaging 7.6% over the prior 10 years.⁸ Of this total, \$4.1 billion (48.3%) related to accommodation services, which is a key sub-sector of disability services where People Infrastructure clients operate.⁹

FIGURE 2.3:
FUNDING FOR DISABILITY SERVICES (\$MN)



Source: Productivity Commission, Report on Government Services (2017)

FIGURE 2.4:
GOVERNMENT SPENDING ON DISABILITY ACCOMMODATION SUPPORT SERVICES (FY16) (\$MN)



Source: Productivity Commission, Report on Government Services (2017)

7 Australian Budget 2016 - 17

8 Productivity Commission 2017

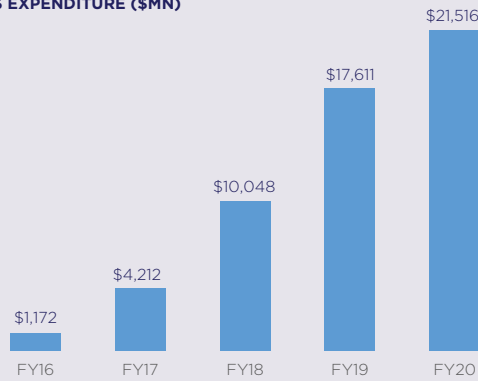
9 Productivity Commission 2017

FIGURE 2.5: ANNUAL DISABILITY EXPENDITURE BY STATE (\$BN)



Source: NDIS Market Position Statements

FIGURE 2.6: NDIS EXPENDITURE (\$MN)

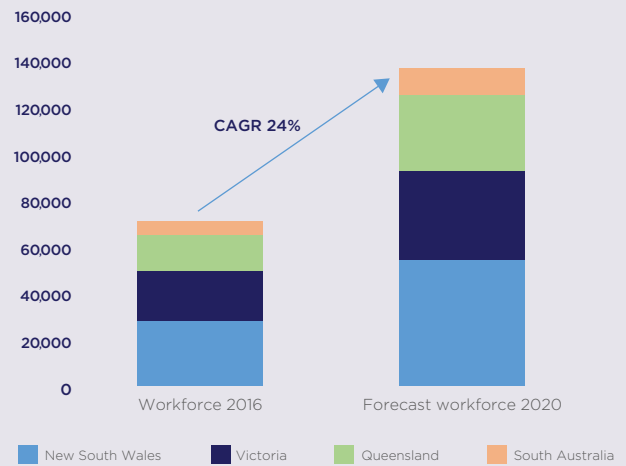


Source: NDIS Corporate Plan 2016-2021

The roll-out of the NDIS is driving significant funding growth in the community services sector and related increased demand for workforce management services due to: state government services being outsourced to private and not-for-profit operators; funding of people that are currently unfunded; and population growth and demographic changes. Implementation of the scheme is expected to drive major demand for employees in the sector, with growth in the disability workforce forecast to increase by 24% per annum by 2019.¹⁰

The NDIS was originally expected to be implemented by July 2019 but a recent review by the Productivity Commission has indicated that the target roll out date may not be met.

FIGURE 2.7: FORECAST WORKFORCE REQUIRED TO SERVICE DEMAND



Source: NDIS Market Position Statements

FIGURE 2.8: NDIS PHASES OF IMPLEMENTATION BY STATE

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
NSW	Trial period			Transition to full scheme		Full scheme		
VIC	Trial period			Transition to full scheme			Full scheme	
QLD			Transition to full scheme				Full scheme	
SA	Trial period			Transition to full scheme			Full scheme	
TAS	Trial period			Transition to full scheme			Full scheme	
NT			Trial period		Transition to full scheme			Full scheme
ACT			Trial period		Transition to full scheme			
WA			Trial period		Transition to locally administrated NDIS		Full scheme	

Source: Productivity Commission - NDIS Costs - February 2017

3 COMPANY OVERVIEW



3.1. INTRODUCTION

People Infrastructure is an Australian workforce management company that aims to deliver innovative solutions to the management of contracted workforces of Australian and New Zealand businesses. People Infrastructure provides contracted workforce and HR outsourcing services to enhance the HR function of its clients.

Workforce management services provided by People Infrastructure include recruiting, on-boarding, rostering, timesheet management, payrolling, and workplace health and safety management. Key sectors for People Infrastructure include community services, mining, general industrial, infrastructure, construction, food processing, childcare, government, landscaping and hospitality.

People Infrastructure's businesses first began operating in 1996. Since inception, the group has grown to have 17 locations across Australia and New Zealand, with 159 employees servicing over 3,000 clients, with an Active Pool of over 10,000 quality trusted candidates from a total database of over 40,000. People Infrastructure's contracted staff have worked more than 25 million hours over the past 10 years.

3.2. OVERVIEW

3.3. BUSINESS MODEL

People Infrastructure provides contracted workforce and HR outsourcing services to clients in Australia and New Zealand and operates through a network of 17 locations. People Infrastructure targets continued growth by leveraging its existing branch network and expanding its branch network in New Zealand.

FIGURE 3.1: PEOPLE INFRASTRUCTURE OVERVIEW



FIGURE 3.2: PEOPLE INFRASTRUCTURE BRANCH NETWORK



There are three key brands that are wholly owned by People Infrastructure which focus on a specific sector or type of service offering. These brands are: Edmen Community Services, which focuses on the community care sector, AWX, which services the industrial, mining, infrastructure, landscaping and food processing sectors and Expect-A-Star, which services the childcare sector.

People Infrastructure provides workforce management services to clients of all sizes, from large multinational corporations to small businesses. The Company places particular attention on servicing SMEs as these have historically been underserved by other contracted workforce service providers. People Infrastructure enjoys long term client relationships across a diverse range of industries, with a total client base of more than 3,000 organisations. As highlighted by Figure 3.4, People Infrastructure does not solely rely on any one industry.

When seeking new opportunities, the Company focuses on high growth sectors. It is in these sectors that People Infrastructure believes it can provide the most value to clients in helping them meet workforce challenges associated with their growth. Client challenges may include the ability to increase staffing within a specific timeframe or meet a particular skills shortage. Key focus sectors currently include community services, mining, childcare, and infrastructure.

FIGURE 3.3:
PEOPLE INFRASTRUCTURE FY17 GROSS PROFIT BY GEOGRAPHY

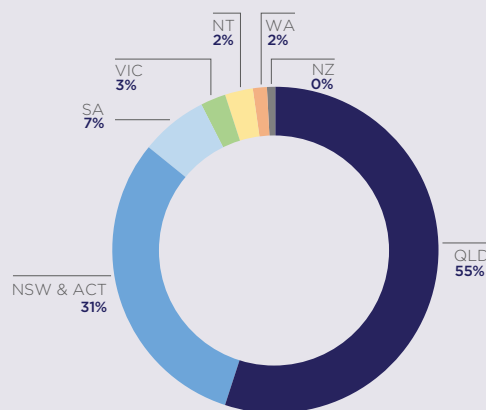
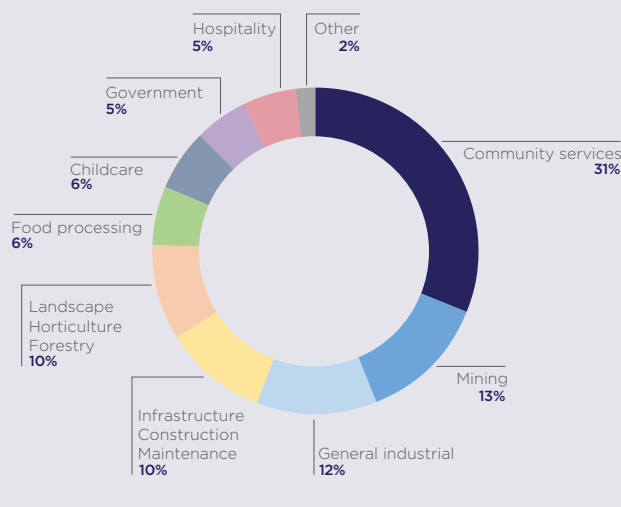
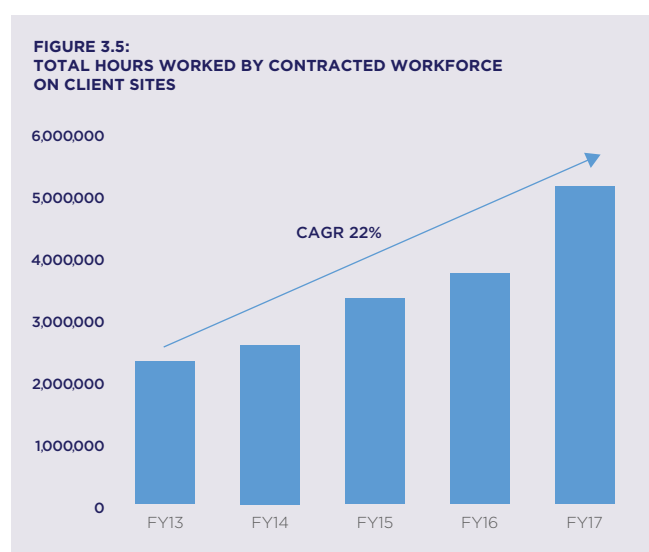


FIGURE 3.4:
PEOPLE INFRASTRUCTURE FY17 GROSS PROFIT BY INDUSTRY



3 COMPANY OVERVIEW

People Infrastructure's attractive service offering, focus on growing industries, strong client relationships and structural workforce tailwinds have supported consistent growth in hours worked over the past five years. Hours worked has grown at 22% CAGR between 2013 and 2017.



People Infrastructure maintains a database of active contracted staff which provides clients with the confidence that roles can be filled when required. Staff are attracted to People Infrastructure given its strong client relationships and broad industry focus, which leads to consistent work opportunities, access to training, flexibility to test different industries, and support in the event of a workplace injury. In addition, contracted staff are employed on a casual basis by People Infrastructure, so there is no cost to the Company associated with the contracted staff if they are not engaged by a client.

3.3.1. VALUE PROPOSITION

People Infrastructure runs a lean operating model, allowing it to offer clients attractive contracted workforce rates while ensuring the Company generates a strong return on capital. Low operating costs are underpinned by technology, People Infrastructure's strong safety record (i.e. lower work-cover rates), economies of scale and an ongoing disciplined approach to spending.

People Infrastructure generates the majority of its revenue by charging its clients a margin on the wage it pays its workforce. The margin reflects the benefits the client receives by using People Infrastructure for contracted workers rather than directly employing the staff. The benefits that accrue to the clients include:

- Workforce flexibility to meet variable levels of demand for labour;
- Ability to rapidly manage skills shortages;
- Lower administrative costs as a result of less internal resourcing to HR services;
- Ability to focus on their core business and higher value permanent staff;
- Outsourced workplace health & safety responsibilities;
- Outsourced administration and responsibility for payroll and industrial relations obligations;
- Outsourced recruiting and ongoing training; and
- Ability to pay on an invoice basis.

In addition, People Infrastructure manages the entire casual workforce for various clients in the community services sector, allowing the clients to focus on recruiting and managing higher value permanent employees. People Infrastructure provides fully integrated HR and payroll functionality to clients through its proprietary IT platform, further embedding it as a key provider of workforce services to the community care sector.

3.3.2. COMPETITIVE ADVANTAGES

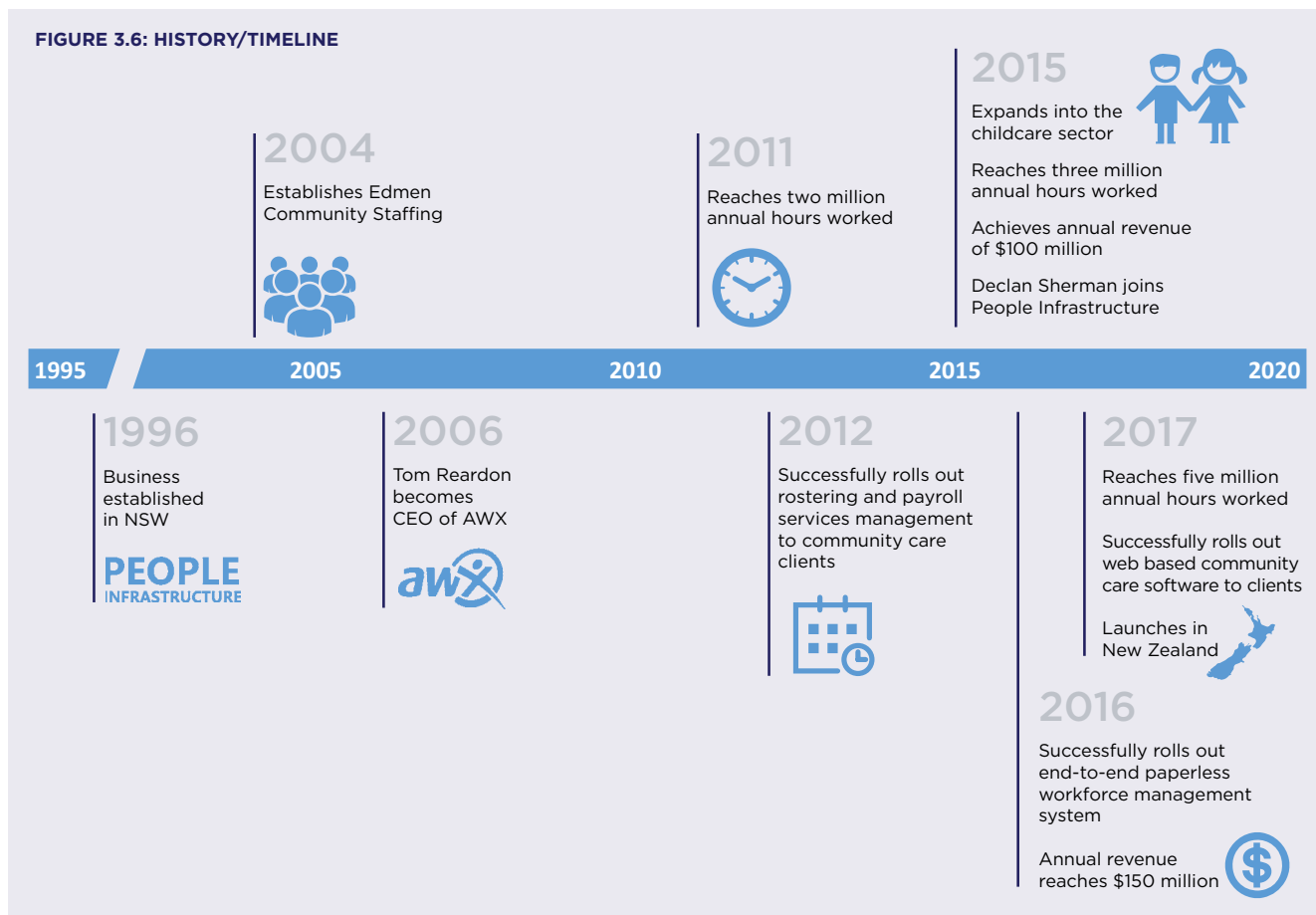
People Infrastructure has a number of competitive advantages as set out below:

**TABLE 3.1:
PEOPLE INFRASTRUCTURE DIFFERENTIATING FACTORS**

Advantage	Description
Exposure to high growth sectors	People Infrastructure is the largest provider of workforce management services to the disability sector and is a key supplier of services to other growth industries including childcare, infrastructure, mining, food processing, landscaping and hospitality. In the community care sector, total government funding for disability is expected to more than double to \$22bn over the four years to 2020 under the NDIS.
Scalable business model	Historical investment by People Infrastructure in the candidate database, business infrastructure, policies, procedures, technology and national branch network has laid a foundation for future growth.
Large and quality database of workers	Over the past 20 years, People Infrastructure has developed one of the largest databases of workers in Australia. In the sectors in which it focuses, it has developed a strong network of quality candidates that it is able to provide to its clients in a timely manner.
Industry leading technology	People Infrastructure has developed a proprietary end-to-end paperless workforce management system which provides simplicity, clarity and efficiency for clients. For the community care sector, People Infrastructure has developed a digital operating platform which provides fully integrated and enhanced HR and payroll functionality for clients.
Long standing client relationships	Client relationships have been developed by People Infrastructure over an extended period of time and are built on quality of service, close relationships with key stakeholders and strong branding. People Infrastructure has a relatively low client churn rate. Average tenure of the top 20 clients across the business is more than five years.
Focus on SMEs	A focus by People Infrastructure on providing contracted workforce solutions to small to medium sized organisations has facilitated greater client diversity and higher margins.
National branch network	People Infrastructure operates across Australia and New Zealand with a national branch network of 17 locations and an Active Pool of more than 10,000 employees. People Infrastructure's scale allows it to service large national clients while retaining close relationships with local businesses.
Strong safety record	People Infrastructure has an industry leading safety record which highlights its focus on safety for its employees and allows it to attract and retain clients. In addition, a strong safety record drives work-cover rates below the industry average, providing insurance premium savings and enhancing the Company's margin.
Experienced and aligned management	People Infrastructure has a highly skilled executive management team that has been instrumental in driving the growth of the business, including Managing Director, Declan Sherman, who is highly experienced in capital allocation, corporate governance and strategy, and Chief Executive Officer AWX Group, Tom Reardon, who is an expert in the workforce management sector. There is strong alignment of interests, with senior management owning significant shareholdings in the Company.

3 COMPANY OVERVIEW

3.3.3. HISTORY/TIMELINE



3.4. GROWTH OPPORTUNITIES

3.4.1. ORGANIC GROWTH

People Infrastructure has consistently delivered double digit revenue growth over recent years. Going forward, People Infrastructure believes that it will continue to grow as it delivers on its strategy, supported by:

- underlying growth rates in the community care, childcare and infrastructure sectors;
- continued growth in market share by leveraging People Infrastructure’s industry leading value proposition and competitive advantages; and
- continuation of the long-term structural shift by employers away from permanent staffing towards contracted workforces.

Implementation of NDIS

The community services sector is the largest sector exposure for People Infrastructure. As an established provider of contracted workforce services to the disability sector, People Infrastructure is well positioned to benefit from major growth in demand for disability services through the implementation of the NDIS.

Expenditure on disability services is forecast to more than double to \$22bn over the four years to 2020 when the NDIS is fully implemented. Roll-out of the scheme is expected to drive major demand for employees in the disability sector, with growth in the workforce forecast to increase by 24% per annum between 2016 and 2019.

People Infrastructure is well positioned to support disability organisations manage their workforce requirements through this period of major growth and disruption in the industry.

3.4.2. ACQUISITION OPPORTUNITIES

People Infrastructure has a strong track record of consistent organic growth through driving its existing businesses and investing in new brands. In addition, People Infrastructure has successfully acquired and integrated businesses in the past. The Company will selectively review acquisition opportunities that meet strict investment criteria, including the following:

- operate in sectors with positive tail winds;
- have clear opportunities for growth;
- are able to demonstrate embedded client relationships;
- have entrenched management teams with strong alignment of interests to other shareholders;
- represent the most efficient use of the Company's capital; and
- are earnings per share and dividend per share accretive.

Growth through acquisition will enable the Company to further leverage its capabilities around sourcing candidates and clients and also leverage its efficient back office processes. It is expected in pursuing such acquisitions there will be both revenue and back office synergies able to be achieved. Finally, it will also enable to the Company to further diversify the industries it services.

3.5. MANAGEMENT AND EMPLOYEES

3.5.1. MANAGEMENT EXPERTISE

People Infrastructure has a strong and stable management team comprised of group executives and division leaders with an average tenure of more than eight years. Declan Sherman, Managing Director, joined People Infrastructure in 2015. Tom Reardon, CEO AWX Group, joined in 2003 and Linda Cascone, CFO, joined People Infrastructure in 1999.

People Infrastructure's ability to attract and retain employees reflects its strong culture, competitive remuneration and opportunities for career development. Each staff member has a clear job description that is reviewed regularly as well as quantified objectives that are set and agreed each year. Management positions and remuneration are subject to external review from time to time, with remuneration comprising a base package and short term and long-term incentives.

For further information on the People Infrastructure management team please refer to the biographies set out in Section 6.

3.5.2. PEOPLE INFRASTRUCTURE EMPLOYEES

People Infrastructure employs 159 internal employees, has more than 3,000 workers engaged by clients on any given week, maintains an Active Pool of over 10,000 people seeking work opportunities and maintains a database of over 40,000 candidates.

TABLE 3.2:
ESTIMATED EMPLOYEE BREAKDOWN AS AT 30 JUNE 2017

By Operation	Count
Full-time	107
Part-time	20
Casual	32
Total	159

By Operation	Count
Management	18
Business development	10
Account manager	25
Recruiter	64
Finance	28
Safety	4
Administration	10
Total	159

3 COMPANY OVERVIEW

3.6. INVESTMENT IN TECHNOLOGY

People Infrastructure has developed proprietary workforce management systems for its own use and for use by its client base. These systems improve the level of service delivered to clients and candidates, lower operating costs for People Infrastructure and its clients, improve data accuracy and further entrench People Infrastructure as a critical and trusted workforce management provider across its client base. The two key systems that People Infrastructure has developed are outlined in Sections 3.6.1 and 3.6.2.

3.6.1. PAPERLESS SYSTEM FOR CONTRACTED WORKFORCE SERVICES

People Infrastructure has designed and implemented an end-to-end paperless workforce management system to manage workflow and reporting for contracted workforce candidates and clients. The systems provide simplicity, clarity and efficiency for clients while effectively eliminating data-entry errors. Through the reduction in the level of required manual processing, the system also leads to lower operating costs for both the Company and its clients. An overview of People Infrastructure’s workforce management system is outlined in Figure 3.7.

FIGURE 3.7: OVERVIEW OF PEOPLE INFRASTRUCTURE'S WORKFORCE MANAGEMENT SYSTEM

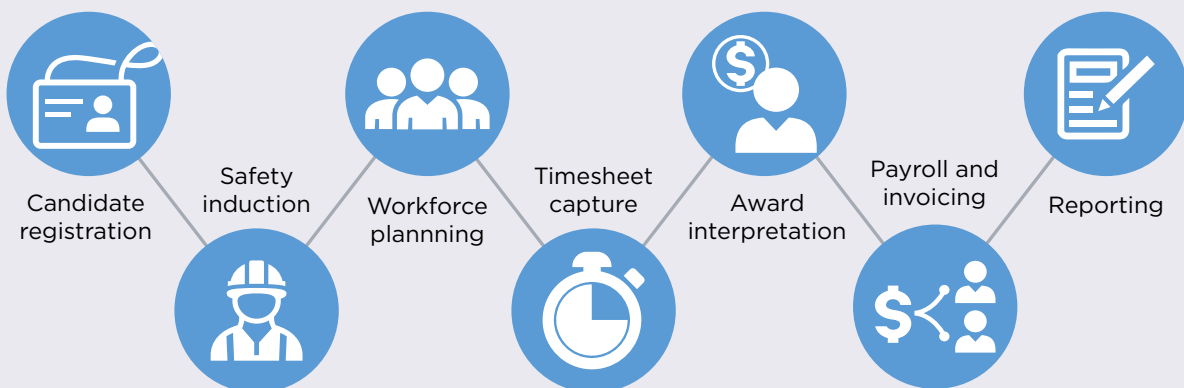
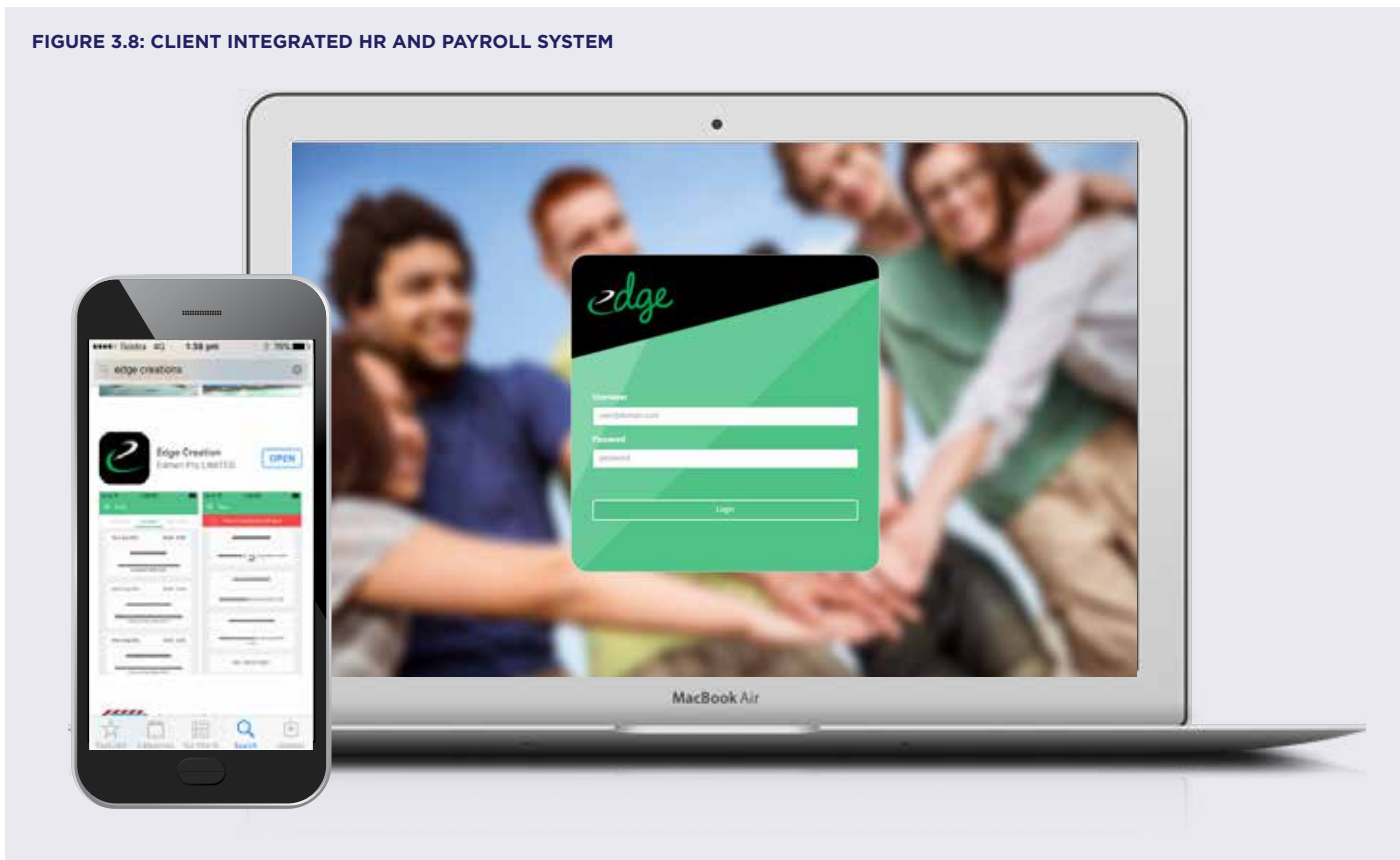


FIGURE 3.8: CLIENT INTEGRATED HR AND PAYROLL SYSTEM



3.6.2. CLIENT-INTEGRATED HR SYSTEM FOR COMMUNITY CARE

People Infrastructure has developed a digital operating platform (“Edge”) for clients in the community care sector, which provides fully integrated and enhanced HR functionality. The software offers web based access combined with an iOS and Android app for People Infrastructure, its clients and its employees. The system drives operating efficiencies for clients while further enhancing People Infrastructure’s connection with its clients.

3.7. OCCUPATIONAL HEALTH AND SAFETY

3.7.1. INDUSTRY LEADING SAFETY RECORD

People Infrastructure recognises and commits to its legal and ethical responsibility to provide for a safe and healthy workplace. Through regular consultation with employees, clients and industry leaders, People Infrastructure has developed and implemented health and safety policies and procedures to assist the reduction of incidents, injuries and diseases.

People Infrastructure has an established system for identifying, managing and controlling health and safety risks, including but not limited to clear management responsibilities for health and safety, consultation procedures, inspection and audits of clients, employee induction and training programs, fatigue management, job and task matching processes, and internal auditing processes.

In addition, People Infrastructure ensures that workplace health and safety is embedded throughout the organisation via a governance structure that ensures safety is paramount, with health and safety information filtering from the management team through to employees and consultants and vice versa.

A focus on safety for its employees allows People Infrastructure to attract and retain clients. In addition, a strong safety record provides People Infrastructure with work-cover rates below the industry average, providing insurance premium savings and enhancing the Company’s margin.

4 FINANCIAL INFORMATION



4.1. INTRODUCTION

The historical financial information ('Historical Financial Information') and forecast financial information ('Forecast Financial Information') of People Infrastructure (together, 'the Financial Information') contained in this section has been prepared by the Directors of People Infrastructure.

The Financial Information has been provided by the Directors to potential investors to assist with their understanding of the underlying historical performance, cash flows and historical position and the forecast financial performance and cash flows of People Infrastructure.

People Infrastructure operates on a financial year ending 30 June and a half year ending 31 December.

The pro forma Historical Financial Information ('the Pro Forma Historical Financial Information') comprises:

- The pro forma historical consolidated statements of profit or loss and other comprehensive income for the financial years ended 30 June 2015 (FY15), 30 June 2016 (FY16) and 30 June 2017 (FY17) of People Infrastructure;
- The pro forma historical consolidated cash flows from operating activities for FY15, FY16 and FY17 of People Infrastructure; and
- The pro forma historical consolidated statement of financial position as at 30 June 2017 of People Infrastructure.

The statutory Historical Financial Information ('the Statutory Historical Financial Information') comprises:

- The historical consolidated statement of profit or loss and other comprehensive income for the financial year ended FY17 of People Infrastructure;
- The historical consolidated statement of cash flows for FY17 of People Infrastructure; and
- The historical consolidated statement of financial position as at 30 June 2017 of People Infrastructure.

The statutory Forecast Financial Information ('the Statutory Forecast Financial Information') comprises the statutory forecast consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018 (FY18) of People Infrastructure.

The pro forma Forecast Financial Information ('the Pro Forma Forecast Financial Information') comprises the pro forma forecast consolidated statement of profit or loss and other comprehensive income for FY18 of People Infrastructure.

This section is set out as follows:

- Basis of Preparation and Presentation of the Financial Information (section 4.2);
- Pro forma historical and forecast consolidated statements of profit or loss and other comprehensive income (section 4.3);
- Reconciliation of the statutory historical and forecast consolidated statements of profit or loss and other comprehensive income to the pro forma historical and forecast consolidated statements of profit or loss and other comprehensive income (section 4.4);
- Statutory historical and forecast consolidated statements of profit or loss and other comprehensive income (section 4.5);
- Pro forma historical cash flows from operating activities information (section 4.6);
- Reconciliation of the statutory historical consolidated cash flows from operating activities information to the pro forma historical consolidated cash flows from operating activities information (section 4.7);
- Summarised statutory historical consolidated statement of cash flows (section 4.8);
- Operating segments (section 4.9);
- Pro forma historical consolidated statement of financial position (section 4.10);
- Management discussion and analysis of the Pro Forma Historical Financial Information (section 4.11);
- Management discussion and analysis of the Pro Forma Forecast Financial Information (section 4.12);
- Sensitivity analysis of the Pro Forma Forecast Financial Information (section 4.13);
- Dividend Policy (section 4.14); and
- Summary of significant accounting policies (section 4.15).

The Historical Financial Information has been reviewed by BDO Audit Pty Ltd (BDO Audit). The Forecast Financial Information has been reviewed by BDO Corporate Finance (QLD) Pty Ltd (BDO Corporate Finance). The Independent Limited Assurance Report prepared by BDO Audit and BDO Corporate Finance are contained in section 8.

BDO Audit and BDO Corporate Finance completed their reviews in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information. Potential investors should note the scope and limitations of the Independent Limited Assurance Reports.

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

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars. Immaterial rounding differences have not been corrected.

This section has been prepared based on the Offer of \$25 million unless otherwise stated.

4.2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

4.2.1. OVERVIEW

The Financial Information presented in this section has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the significant accounting policies set out in this Section.

The Financial Information is presented in an abbreviated form and does not contain all the disclosures and comparative information that are usually provided in an annual report prepared in accordance with the Australian Accounting Standards and the *Corporations Act (Cth) 2001*.

4.2.2. SUMMARY OF ITEMS INCLUDED IN THE FINANCIAL INFORMATION

The consolidated financial information set out in this section includes results from the following:

- The holding companies since incorporation: People Infrastructure Pty Ltd, Edmen AWX Holdco Pty Ltd, AWX Hco Two Pty Ltd and E Hco Two Pty Ltd (the Holdcos);
- AWX Pty Ltd: AWX Pty Ltd and all its wholly owned subsidiaries (AWX); and
- Edmen Holdings Pty Ltd: Edmen Holdings Pty Ltd and all its wholly owned subsidiaries (Edmen).

4.2.3. THE HOLDCOS

The Holdcos were incorporated on the following dates:

- People Infrastructure Pty Ltd: 5 October 2016;
- Edmen AWX Holdco Pty Ltd: 21 June 2017;
- AWX Hco Two Pty Ltd: 5 October 2016; and
- E Hco Two Pty Ltd: 2 March 2017.

In accordance with Section 323D of the *Corporations Act 2001* the Directors determined that the first financial year of the Company is from the above dates of incorporation to 30 June 2017.

The FY17 results and the Forecast Financial Information includes the Holdcos.

4.2.4. AWX

On 18 October 2016, People Infrastructure completed the acquisition of AWX. This transaction was accounted for as a Business Combination in accordance with AASB 3 Business Combinations. There were some operations in AWX which were retained by the vendor (Divisions Retained by the Vendor). The divisions acquired (Acquired Divisions) are 100% subsidiaries of AWX.

The pro forma historical consolidated statements of profit or loss and other comprehensive income and pro forma historical consolidated cash flows from operating activities information for FY15, FY16 and FY17 of People Infrastructure include the results of AWX.

The Forecast Financial Information includes the operations of AWX.

4.2.5. EDMEN

On 5 April 2017, People Infrastructure completed the acquisition of Edmen. This transaction was accounted for as a Business Combination in accordance with AASB 3 Business Combinations.

The pro forma historical consolidated statements of profit or loss and other comprehensive income and pro forma historical consolidated statement of cash flows from operating activities information for FY15, FY16 and FY17 of People Infrastructure include the results of Edmen.

The Forecast Financial Information includes the operations of Edmen.

4.2.6. PREPARATION OF THE STATUTORY HISTORICAL FINANCIAL INFORMATION

The Statutory Historical Financial Information has been derived from the statutory consolidated financial statements of People Infrastructure for FY17 (Statutory Historical Financial Statements).

The Statutory Historical Financial Statements of People Infrastructure have been audited by BDO Audit for FY17 who issued an unqualified opinion.

4 FINANCIAL INFORMATION

4.2.7. PREPARATION OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Financial Information has been derived from the audited Historical Financial Statements of AWX and Edmen for FY15, FY16 and FY17.

The Historical Financial Statements of AWX have been audited by PricewaterhouseCoopers for FY15, Grant Thornton Audit Pty Ltd for FY16 and BDO Audit for FY17. They issued unqualified opinions in respect of all periods.

The Historical Financial Statements of Edmen have been audited for FY15, FY16 and FY17 by BDO Audit, who issued unqualified opinions in respect of all periods.

The Historical Financial Statements of People Infrastructure have been audited for FY17 by BDO Audit who issued an unqualified opinion.

The Pro Forma Historical Financial Information has been compiled based on the above audited financial information and pro forma adjustments including the following:

- The removal of the Divisions Retained by the Vendor of AWX (for FY15 and FY16);
- The removal of losses on derecognising the AWX subsidiaries not acquired;
- The removal of acquisition costs;
- The removal of fair value movements in the Convertible Notes;
- The removal of abnormal bad debts expense;
- The inclusion of AWX and Edmen pre-acquisition profits (for FY17);
- The inclusion of ongoing listed company costs;
- The impact of relevant pro forma tax adjustments;
- The proceeds of the Offer and the costs associated with the Offer;
- The repayment of the Bill Acceptance / Discount Facility;
- The repayment of Shareholder Loans (which occurs prior to the Completion of the Offer);
- The conversion of the Convertible Notes into shares in People Infrastructure upon listing on the ASX; and
- The impact on net finance costs from assuming the capital structure expected to be in place following the Completion of the Offer was in place as at 1 July 2014.

The following reconciliations have been provided between the Statutory Historical Financial Information to the Pro Forma Historical Financial Information:

- NPAT; and
- Net cash flows from operating activities.

4.2.8. PREPARATION OF FORECAST FINANCIAL INFORMATION

The Forecast Financial Information has been prepared solely for inclusion in the Prospectus and is presented both on a statutory and pro forma basis.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all best estimate assumptions, when taken as a whole, to be reasonable in the context of the economic and operating conditions in existence at the time of preparing this Prospectus.

Forecast financial information is, by its nature, not fact. Further, potential investors should note that historical performance (including that indicated by the Historical Financial Information) does not guarantee future performance.

The Forecast Financial Information has been prepared based on numerous assumptions, including the best estimate assumptions set out in Section 4.12. This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The assumptions on which the Forecast Financial Information is based are subject to change and significant uncertainties. It cannot be known in advance if any of the assumptions will be correct and many assumptions are not within the control of People Infrastructure, its management or the Directors.

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 People Infrastructure's actual financial performance or financial position.

Section 5 sets out key risks related to People Infrastructure, which may impact the Forecast Financial Information. A sensitivity analysis is also set out in Section 4.13 to show potential variances as a result of changes in the underlying assumptions for the forecast financial performance.

The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation of the Historical Financial Information and that which People Infrastructure expects to report for its statutory accounts for the financial year ended 30 June 2017.

The Pro Forma Forecast Financial Information has been adjusted from the Statutory Forecast Financial Information to reflect:

- The costs associated with the Offer;
- The removal of the fair value movement in the Convertible Notes; and
- The impact on net finance costs from assuming the capital structure expected to be in place following the Completion of the Offer was in place as at 1 July 2017.

An NPAT reconciliation has been provided between selected statutory and pro forma forecast information.

As at the date of this Prospectus, the Directors have no intention of updating or revising the Forecast Financial Information or forward looking statements, regardless of new information, future events or other factors affecting the information contained within the Prospectus, except where required by law.

4.2.9. NON-IFRS MEASURES ADOPTED

People Infrastructure utilised certain measures for assessing the financial performance and position of the business, which are not recognised under Australian Accounting Standards. Such measures are referred to as 'non-IFRS financial measures'.

Non-IFRS financial measures are not a substitute for measures calculated in accordance with Australian Accounting Standards, but rather are intended to provide further information for potential investors.

As the non-IFRS measures have no defined meaning under recognised accounting standards, the way in which they have been calculated in this Prospectus has been detailed below. As there is no standardised measure of non-IFRS information, potential investors should take care in comparing non-IFRS information between companies as the method of calculation may not be the same.

The non-IFRS measures included in this Prospectus are:

- EBIT: Earnings before interest and tax;
- EBITDA: Earnings before interest, tax, depreciation and amortization;
- Working Capital: Includes trade and other receivables, prepayments, trade and other payables and provisions;
- Capital expenditure: Investment by People Infrastructure in its property, plant and equipment; and
- NPATA: Net profit after tax and before amortisation.

Non-IFRS earnings measures may provide useful information for investors as they exclude items related to:

- Interest and taxation (in the case of EBIT and EBITDA);
- Depreciation and amortisation (in the case of EBITDA); and
- Amortisation (in the case of NPATA).

EBIT and EBITDA measures may be relevant for market participants and analysts for a range of reasons, however, they are not cash flow measures (operating or otherwise) and should not be considered in isolation. EBIT and EBITDA do not consider capital expenditure, fair value changes, timing differences between receipt of revenues and their recognition in the statement of profit or loss and other comprehensive income or working capital changes.

4.3. PRO FORMA HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Table 4.1 summarises People Infrastructure's pro forma historical consolidated statements of profit or loss and other comprehensive income for FY15, FY16 and FY17 and the pro forma forecast consolidated statement of profit or loss and other comprehensive income for FY18. Refer to Management Discussion and Analysis (Sections 4.11 and 4.12) for further information.

4 FINANCIAL INFORMATION

TABLE 4.1:
PRO FORMA HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

A\$'000	Note	Pro Forma Historical FY15	Pro Forma Historical FY16	Pro Forma Historical FY17	Pro Forma Forecast FY18
Revenue		123,715	145,574	191,986	214,196
<i>Revenue growth (%)</i>			17.7%	31.9%	11.6%
Other income	1	191	264	180	286
Employee benefits expense	2	(106,014)	(127,937)	(172,974)	(194,206)
Occupancy expenses	3	(1,528)	(1,415)	(1,288)	(1,207)
Other expenses	4	(8,133)	(7,606)	(7,653)	(7,031)
Pro forma EBITDA		8,231	8,881	10,250	12,038
<i>EBITDA growth (%)</i>		n/a	7.9%	15.4%	17.4%
Depreciation	5	(354)	(726)	(609)	(601)
Amortisation	6	(25)	(38)	(518)	(1,482)
Pro forma EBIT		7,853	8,117	9,124	9,955
Net finance costs	7	(755)	(755)	(755)	(755)
Pro forma NPBT		7,098	7,362	8,369	9,200
Tax expense	8	(2,137)	(2,220)	(2,666)	(3,235)
Pro forma NPAT		4,961	5,142	5,703	5,965
Amortisation expense		25	38	518	1,482
Pro forma NPATA		4,986	5,180	6,221	7,447
<i>NPATA growth (%)</i>			3.9%	20.1%	19.7%

Notes:

1. Other income primarily includes government incentives and net gains on the disposal of property, plant and equipment.
2. Employee benefits expense includes the cost of labour hire, the cost of People Infrastructure's internal staffing expenses and workforce training expenses.
3. Occupancy expenses include rent and utilities for the various offices as well as property outgoings and security costs.
4. Other expenses includes accommodation, travel, advertising, protective equipment, bad debts provision, entertainment, insurance, motor vehicles, workforce training, IT and other miscellaneous overhead expenses.
5. Pro forma depreciation relates to plant and equipment and includes depreciation amounts recognised as part of shared services costs in the statutory accounts.
6. Amortisation relates to client lists, candidate databases, websites and software. Amortisation is higher in FY17 and FY18 compared to FY15 and FY16, as upon People Infrastructure's acquisition of AWX and Edmen, People Infrastructure recognised customer relationships as an intangible asset.
7. Net finance cost has been adjusted to reflect the capital structure expected to be in place following Completion of the Offer as if it occurred as at 1 July 2014. An indicative rate of interest of 7% has been used for the purposes of calculating the pro forma net finance costs.
8. Tax expense has been calculated using the current Australian corporate tax rate of 30%. Amortisation expense is assumed to be entirely non-deductible for the purposes of calculating the pro forma income tax expense.

4.4. RECONCILIATION OF THE HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (STATUTORY TO PRO FORMA)

A reconciliation of the statutory historical and forecast consolidated statements of profit or loss and other comprehensive income to the pro forma historical and forecast consolidated statements of profit or loss and other comprehensive income for FY15, FY16, FY17 and FY18 is set out in Table 4.2.

TABLE 4.2:
RECONCILIATION OF THE HISTORICAL AND FORECAST STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (STATUTORY TO PRO FORMA)

A\$000	Note	FY15	FY16	FY17	FY18
Statutory NPAT	1	5,639	3,333	(1,965)	4,905
<i>Pro forma adjustments:</i>					
Removal of AWX divisions not acquired	2	612	2,801	-	-
Head office expenses	3	(722)	(722)	(722)	-
Impairment of receivables	4	-	686	-	-
AWX pre-acquisition profit	5	-	-	786	-
Edmen pre-acquisition profit	5	-	-	2,512	-
Loss on derecognition of AWX subsidiaries not acquired	6	-	-	184	-
Acquisition costs	7	-	-	166	-
Fair value movement in Convertible Notes	8	-	-	4,102	578
Net finance costs adjustment	9	(550)	(627)	157	143
Overhead allocation adjustment	10	(486)	-	-	-
IPO costs expensed	11	-	-	-	339
Tax adjustment	12	469	(328)	482	-
Pro forma NPAT		4,961	5,142	5,703	5,965

Notes:

- The statutory NPAT figures for FY15 and FY16 are calculated as the sum of the audited NPAT figures for Edmen and AWX. Refer to Appendix 1 for further information on the statutory NPAT figures. The statutory NPAT figure for FY17 is the audited NPAT figure for People Infrastructure.
- The Divisions Retained by the Vendor were loss making in FY15 and FY16.
- The higher head office expenses reflect the additional costs associated with being a listed company, net of tax.
- People Infrastructure incurred bad debts expense totalling \$1.5 million in FY16 relating to a single customer, which is considered abnormal (bad debts expense totalled approximately \$0.6 million in FY15 and approximately \$0.5 million in FY17). For the purposes of preparing the pro forma information therefore, FY16 bad debts expense has been reduced to \$0.5 million, which is broadly consistent with the bad debts expense incurred in FY17. People Infrastructure currently insures a significant amount of its debtor book to protect against incurring bad debts. Net of tax, this pro forma adjustment increases NPAT by approximately \$686k as presented in Table 4.2.
- The statutory consolidated NPAT figure for FY17 excludes the profits of AWX and Edmen prior to their acquisition by People Infrastructure. A pro forma adjustment has therefore been made to include the pre-acquisition profits of AWX and Edmen.
- Represents an adjustment made to exclude losses from the pre-acquisition period relating to AWX entities that People Infrastructure did not acquire, net of tax.
- Represents costs associated with completing the acquisition of AWX and Edmen, net of tax.
- Represents movements in the fair value of the Convertible Notes. As the Convertible Notes (principle and accrued interest) may be converted into shares in People Infrastructure at a discount to the Issue Price, they are measured at their fair value through profit or loss.
- Represents the net finance costs adjustment made to reflect the ongoing capital structure assumed post the Completion of the Offer (assuming a 7% interest rate), net of tax.
- Represents adjustments to partially include additional expenses relating to the former owner's wages and bad debts expense.
- Represents one off IPO costs expensed including listing, accounting and legal fees.
- The tax adjustment relates to, amongst other things, timing differences and for payment dates. This adjustment is required to ensure the tax expense is equal to 30% of the calculated PBT plus amortisation expense.

4 FINANCIAL INFORMATION

4.5. STATUTORY HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Table 4.3 summarises People Infrastructure's statutory consolidated statements of profit or loss and other comprehensive income for FY17 and FY18 which include the part year results from the AWX and Edmen acquisitions in FY17 and the unadjusted forecast results for the full FY18 for People Infrastructure.

TABLE 4.3:
STATUTORY HISTORICAL AND FORECAST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

A\$000	Note	Statutory Historical FY17	Statutory Forecast FY18
Revenue		108,027	214,196
Other income		214	286
Employee benefits expense		(98,556)	(194,206)
Occupancy expenses		(797)	(1,207)
Other expenses		(3,758)	(7,515)
Statutory EBITDA	1	5,131	11,554
Depreciation and amortisation		(864)	(2,083)
Statutory EBIT	1	4,267	9,471
Fair value movement in Convertible Notes	2	(4,102)	(578)
Net finance costs		(1,019)	(959)
Statutory NPBT		(854)	7,934
Tax expense		(1,111)	(3,029)
Statutory NPAT		(1,965)	4,905

Notes:

- Note that EBITDA and EBIT are non-IFRS measures. See Section 4.2.9 for further information.
- As the Convertible Notes (principle and accrued interest) may be converted into shares in People Infrastructure at a discount to the Issue Price, they are measured at their fair value through profit or loss.

4.6. PRO FORMA HISTORICAL CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES INFORMATION

Table 4.4 is a summary of People Infrastructure's pro forma historical consolidated cash flows from operating activities information.

TABLE 4.4:
PRO FORMA HISTORICAL CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES INFORMATION

A\$000	Note	Pro Forma Historical FY15	Pro Forma Historical FY16	Pro Forma Historical FY17
Pro forma EBITDA		8,231	8,881	10,250
Changes in net working capital	1	(947)	(1,031)	(2,705)
Non cash movements in EBITDA	2	(236)	(248)	618
Pro forma net cash flow from operating activities before interest and tax		7,048	7,602	8,164
Net finance costs	3	(755)	(755)	(755)
Income tax paid	4	(1,484)	(3,336)	(2,335)
Pro forma net cash flow from operating activities		4,809	3,511	5,074

Notes:

1. Refer to section 4.11.3 for an explanation of movements in working capital.
2. Non cash movements in EBITDA primarily relate to net gains on the disposal of plant and equipment, net gains on the sale of available for sale financial assets and bad and doubtful debts expense.
3. Net finance cost reflect the ongoing capital structure assumed post the Completion of the Offer (assuming a 7% interest rate).
4. A portion of the income tax paid in FY16 relates to tax amounts that were payable in FY15.

4 FINANCIAL INFORMATION

4.7. RECONCILIATION OF THE HISTORICAL CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES (STATUTORY TO PRO FORMA)

A reconciliation of the statutory historical consolidated cash flows from operating activities to the pro forma historical consolidated cash flows from operating activities for FY15, FY16 and FY17 is set out in Table 4.5 below.

**TABLE 4.5:
RECONCILIATION OF THE HISTORICAL CASH FLOWS FROM OPERATING ACTIVITIES (STATUTORY TO PRO FORMA)**

A\$000	Note	FY15	FY16	FY17
Statutory net cash flow from operating activities	1	3,288	4,150	1,499
Removal of AWX divisions not acquired	2	3,725	99	-
Pre-acquisition cash flows of AWX and Edmen	3	-	-	2,142
Head office expenses	4	(722)	(722)	(722)
Acquisition set up costs	5	-	-	166
Impairment of receivables	6	-	686	-
Net finance costs adjustment	7	(470)	(535)	170
Overhead allocation adjustment	8	(436)	279	-
Remove payables to related parties	9	(576)	(444)	1,819
Pro forma net cash flow from operating activities		4,809	3,511	5,074

Notes:

1. The consolidated net cash flow from operating activity figures for FY15 and FY16 are calculated as the sum of the audited net cash flow from operating activity figures for Edmen and AWX. The net cash flow from operating activity figure for FY17 is the audited net cash flow from operating activity figure for People Infrastructure.
2. Represents the negative net operating cash flows from the Divisions Retained by the Vendor.
3. Represents the pre-acquisition net operating cash flows of AWX and Edmen in FY17.
4. The higher head office expenses reflect the additional costs associated with being a listed company, net of tax.
5. Represents the costs associated with completing the acquisition of AWX and Edmen, net of tax.
6. Represents the reduction in bad debts expense to \$0.5 million which is broadly consistent with FY15 and FY17.
7. Represents the net finance costs adjustment made to reflect the ongoing capital structure assumed post the Completion of the Offer (assuming a 7% interest rate), net of tax.
8. Represents adjustments to 1) partially include additional expenses relating to the former owner's wages in FY15; 2) include additional bad debts expense relating to AWX subsidiaries acquired in FY15; and 3) reclassify amounts recognised as part of shared services costs in the statutory accounts as depreciation expense in both FY15 and FY16.
9. Represents payables due to related parties that do not relate to the underlying operations of the business.

4.8. SUMMARISED STATUTORY HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

Table 4.6 summarises People Infrastructure's statutory consolidated statement of cash flows for FY17 which include the part year results from the AWX and Edmen acquisitions in FY17.

TABLE 4.6:
SUMMARISED STATUTORY HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

A\$000	Note	Statutory Historical FY17
Statutory EBITDA		5,131
Changes in net working capital	1	(2,358)
Non cash movements in EBITDA	2	620
Statutory net cash flow from operating activities before interest and tax		3,393
Net interest paid		(1,019)
Income tax paid		(876)
Statutory net cash flow from operating activities		1,499
Net purchase of plant and equipment and intangibles		(646)
Acquisition of subsidiaries	3	(43,759)
Net proceeds from / (repayment of) borrowings	4	47,870
Bank guarantee		(110)
Foreign exchange effects		(2)
Statutory net cash flow		4,852

Notes:

1. Refer to Section 4.11.3 for an explanation of movements in working capital.
2. Includes net gains on the disposal of plant and equipment, net gains on the acquisition of subsidiaries, share based payment expense and bad and doubtful debts.
3. Represents the acquisitions of AWX and Edmen.
4. Borrowings used to fund the acquisition of AWX and Edmen include the Convertible Notes, Bill Acceptance / Discount Facility, Shareholder Loans and Term Debt.

4.9. OPERATING SEGMENTS

In accordance with AASB8 Operating Segments, the Directors have determined that People Infrastructure has one reporting segment, being labour hire.

4.10. PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.10.1. OVERVIEW

Table 4.7 summarises the pro forma historical consolidated statement of financial position as at 30 June 2017. It shows the pro forma adjustments that have been made to the statutory historical statement of financial position as at 30 June 2017 to calculate the pro forma statement of financial position as at 30 June 2017.

The pro forma statement of financial position is provided for illustrative purposes only. It is not representative of the Director's view of the future financial position of People Infrastructure.

Cash and cash equivalents (and other balances) in the pro forma statement of financial position are calculated to reflect the events in each corresponding note, as though they had occurred on 30 June 2017. Cash and cash equivalents (and other balances) have not been adjusted by actual or expected events following 30 June 2017 until the Completion of the Offer, save for those detailed in the notes for the pro forma statement of financial position (set out in Section 4.10.2).

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The pro forma balances shown in Table 4.7 are not reflective of the estimated balances (including the cash position) following the Completion of the Offer.

TABLE 4.7:
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

Note	Pre IPO			At IPO				Pro Forma
	1	2	3	4	5	6		
A\$000	Statutory	Fair value movement in Convertible Notes	Shareholder loan repayment ¹	Net cash raised from IPO	Note conversions	Repayment of Bill Acceptance /Discount Facility	DTA	
Current assets								
Cash and cash equivalents	4,852		(7,200)	22,795		(19,560)		887
Trade and other receivables	24,492							24,492
Other current assets	548							548
Total current assets	29,893	-	(7,200)	22,795	-	(19,560)		25,927
Non-current assets								
Plant and equipment	1,863							1,863
Intangible assets	34,777							34,777
Deferred tax assets	-						584	584
Total non-current assets	36,640	-	-	-	-	-	584	37,225
Total assets	66,533	-	(7,200)	22,795	-	(19,560)	584	63,152

Note	Pre IPO			At IPO				Pro Forma
	1	2	3	4	5	6		
A\$'000	Statutory	Fair value movement in Convertible Notes	Shareholder loan repayment ¹	Net cash raised from IPO	Note conversions	Repayment of Bill Acceptance /Discount Facility	DTA	
Current liabilities								
Trade and other payables	13,040							13,040
Borrowings	25,509	578	-		(15,701)	(2,334)		8,053
Current tax liabilities	943							943
Provisions	1,376							1,376
Total current liabilities	40,869	578	-	-	(15,701)	(2,334)	-	23,413
Non-current liabilities								
Borrowings	27,156		(7,200)			(17,226)		2,730
Deferred tax liabilities	250							250
Provisions	225							225
Total non-current liabilities	27,631	-	(7,200)	-	-	(17,226)	-	3,205
Total liabilities	68,500	578	(7,200)	-	(15,701)	(19,560)	-	26,618
Net assets	(1,967)	(578)	-	22,795	15,701	-	-	36,534
Equity								
Issued capital	0			23,279	15,701		584	39,564
Accumulated losses	(1,965)	(578)		(484)				(3,028)
Reserves	(2)							(2)
Total equity	(1,967)	(578)	-	22,795	15,701	-	584	36,534

1. Note People Infrastructure's cash and cash equivalents balance increased post 30 June 2017 such that there was sufficient cash to repay the shareholder loan.

No adjustments have been made to reflect trading performance from 30 June 2017 to lodgement date.

The accompanying notes set out in Section 4.10.2 form part of the Financial Information.

4 FINANCIAL INFORMATION

4.10.2. PRO FORMA ADJUSTMENTS

Note 1: Fair value movement in Convertible Notes

Convertible Notes have been issued at a discount to the IPO price. The fair value movement reflects the interest accrued (and fair value uplift on the interest accrued) during FY18 in the period prior to the IPO.

Note 2: Shareholder loan repayment

People Infrastructure had \$7.2 million of shareholder loans on issue as at 30 June 2017. The shareholder loans were repaid prior to the Completion of the Offer out of the operating cash flows of People Infrastructure.

Note 3: Net cash raised from IPO

On Completion of the Offer, it is expected that there will be a net increase in People Infrastructure's share capital of \$22.79 million, assuming there is a \$25 million capital raise and \$2.21 million of transaction costs.

The estimated \$2.21 million in transaction costs is based on the targeted capital raise and relates to adviser, listing and other costs expected to be incurred. A deferred tax asset of \$0.58 million has been recognised to reflect the tax effect of transaction costs (see note below). Of the net transaction costs of \$2.21 million, \$1.73 million has been allocated to share capital and \$0.48 million has been expensed through retained earnings.

Note 4: Convertible Notes Conversion

As a result of the Offer, the Convertible Notes will convert to ordinary shares in People Infrastructure. The conversion value has been calculated having regard to the terms of the Convertible Notes and the Offer Price, with movements in the fair value recorded through profit or loss.

The conversion of the Convertible Notes to equity has been treated as if it had been completed as at 30 June 2017.

Note 5: Repayment of Bill Acceptance / Discount Facility

The Bill Acceptance / Discount Facility is assumed to be repaid out of the cash raised from the IPO.

Note 6: DTA

DTA is recognised on the difference between the accounting and tax treatment of the timing on transaction costs.

4.10.3. LIQUIDITY AND CAPITAL RESOURCES

Following completion of the Offer and application of the Offer proceeds as set out in this Prospectus, People Infrastructure's key sources of ongoing funding will be cash flow from operations and borrowing under banking facilities (described in section 4.10.5). At completion of the Offer and after payment of the Offer related costs and expenses, the Company forecasts to have sufficient cash and facilities to fund operations.

4.10.4. INDEBTEDNESS

The Pro Forma Historical Statement of Financial Position as at 30 June 2017 has been adjusted to reflect the impact of the Offer as if it took place at that date, in accordance with guidance set out in ASIC Regulatory Guide 228. Forecast pro forma net indebtedness as at 30 June 2017, assuming Completion of the Offer, is \$9.9 million. Forecast net indebtedness as at 30 November 2017, assuming Completion of the Offer and taking into account the forecast earnings and debt amortisation profile of People Infrastructure between 30 June 2017 and 30 November 2017, is \$8.0 million.

Table 4.8 sets out the net debt position of People Infrastructure as at 30 June 2017 on a statutory and pro forma basis, following the expected Completion of the Offer. Table 4.8 also sets out the forecast net debt position of People Infrastructure as at 30 November 2017, following the expected Completion of the Offer.

TABLE 4.8:
STATUTORY AND PRO FORMA INDEBTEDNESS AS AT 30 JUNE 2017 AND FORECAST FOLLOWING COMPLETION OF THE OFFER

A\$000	Statutory	Pro forma	Forecast
	30 June 2017	30 June 2017	30 November 2017
Current borrowings	25,509	8,053	6,218
Non-current borrowings	27,156	2,730	2,730
Total drawn borrowings	52,665	10,783	8,948
Less: Cash and cash equivalents	(4,852)	(887)	(927)
Total net indebtedness	47,813	9,896	8,021

4.10.5. FINANCING FACILITIES

As at the date of this Prospectus, People Infrastructure has the following financing facilities, set out in Table 4.9 below.

TABLE 4.9: FINANCING FACILITIES

Funder	Facility Name	Facility limit as at 30 June 2017	Drawn Amount as at 30 June 2017	Maturity
St George Bank	Bill Acceptance / Discount Facility	\$19.56 million	\$19.56 million	April 2020
St George Bank	Corporate MasterCard	\$0.125 million	\$0.0 million	April 2020
St George Bank	Working Capital Facility	\$14.0 million	\$6.76 million	Annual Review
St George Bank	Term Debt	\$3.195 million	\$3.195 million	October 2021
St George Bank	Invoice Discounting Facility	\$2.0 million	\$0.0 million	Annual Review

The Bill Acceptance / Discount Facility is expected to be repaid in full from the proceeds received from the IPO.

The Working Capital Facility and Invoice Discounting Facility are forecast to be adequate for People Infrastructure's working capital requirements. Refer to Section 4.11.3 for further information on People Infrastructure's working capital.

Financial covenants

The Financing Facilities are subject to the following financial covenants:

TABLE 4.10: FINANCIAL COVENANTS

Facility Name	Covenants	Covenant Limits
Bill Acceptance/Discount Facility, Working Capital Facility, Term Debt and Invoice Discounting Facility	Interest Cover Ratio	$\geq 3.0:1$
	Financial Debt/EBITDA Ratio	$< 3.5:1$ ($< 3.0:1$ from 30 June 2018)

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Key financial covenants for the loans provided by St George Bank include:

- Interest cover ratio - meaning EBIT divided by gross interest expense. Gross interest expense includes any outgoings in the nature of interest including discount, establishment and acceptance fees, finance lease and hire purchase charges and capitalised interest;
- Financial Debt/EBITDA ratio - meaning total financial liabilities (including asset purchase/leasing) less cash divided by EBITDA;

The payment of dividends by People Infrastructure is subject to meeting the financial covenants.

People Infrastructure is currently in compliance with its financial covenants and expects to remain in compliance with them. Failure to meet the relevant financial covenants may lead to an event of default under the banking facilities. In the event of a default there may be a requirement to make repayments in advance of the relevant maturity dates of any given facility. An event of default and the requirement to make early repayments may impact the financial performance and position of People Infrastructure and its ability to operate in the ordinary course of business.

Security

All facilities have first registered general security over the assets of People Infrastructure.

For more information on the St George financing facility agreements, refer to Section 10.

4.10.6. CONTINGENT LIABILITIES

A number of warranty and legal claims were brought against People Infrastructure during the FY17 year. Management considers these claims to be unjustified and the probability that they will require settlement at People Infrastructure's expense to be remote. This evaluation is consistent with external independent legal advice. On this basis, no contingent liabilities have been recognised as at 30 June 2017.

4.11. MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

Set out below is a discussion of the factors that have impacted People Infrastructure's historical performance for FY15, FY16 and FY17.

The Directors have provided this information for potential investors to assist with understanding the factors that influenced the historical performance of People Infrastructure, which may be relevant to considering the future performance of People Infrastructure.

This discussion is a summary only and does not detail all matters relevant to the performance of People Infrastructure over the historical period, nor every matter that may influence the performance of People Infrastructure in the future.

This section should be considered along with the other information set out in this Prospectus, including the risks set out in Section 5.

4.11.1. REVENUE

People Infrastructure's revenue is impacted by the following key drivers:

- The company's revenue primarily comes from providing workforce management services, in particular contracted staffing, to Australian companies. Contracted staffing revenue is a function of two factors:
 - Number of hours worked by casual staff; and
 - Average contracted staffing charge out rate.
- Both of these factors are impacted by the following key drivers:
 - Growing supply of casual workers: Due to the increased complexity for businesses directly employing staff, the changing landscape of labour markets and workers and employers seeking more flexibility, the demand for and the supply of casual workers has been growing. This growth in supply and demand has allowed the Company to on-hire more workers, increasing contracted staffing hours;

- Growth in client sectors: The strength of the clients' industries will also heavily affect the demand for contracted staffing services. People Infrastructure has positioned itself to service non-cyclical sectors positioned for long term growth. These sectors include community services, mining, childcare and infrastructure. Growth in the community services and infrastructure sectors is driven by growth in government funding and bolstered by the outsourcing of state government services to private and not-for-profit operators. An increase in government funding combined with population growth and higher household disposable income has driven demand for childcare. The growth of these sectors positively affects both the on-hire hours and the average charge out rate of workers;
- Retention of clients: People Infrastructure has long standing client relationships which highlight the company's position as a trusted provider of contracted staffing services to its clients. These strong relationships have minimised the turnover of clients creating a strong base for total hours worked. A focus on strong relationships with small to medium sized companies in blue collar industries has also assisted to support margins;
- Winning new clients: Becoming a recognised provider in sectors such as community care has been pivotal to growing the client base. Clients have depended on the Company's on-hire staff during downturns to lower their fixed costs and during strong growth to fill the excess demand. An investment in the sales team to procure contracts has also driven the growth in new clients. The Company services a wide range of sectors enabling them to pursue new clients in industries that go through periods of growth; and
- Wage growth: The Company typically charges a margin on the wages paid to a worker. As wages grow so does the dollar margin the Company charges clients. Historical wage growth in Australia has typically been in the range of 2% to 4% per year.

4.11.2. EXPENSES

People Infrastructure's expenses can be summarised into the following main categories:

- Employee benefits expense: This category includes the costs that relate directly to the cost of sales for on-hire staff, the cost of People Infrastructure's own internal staffing and workforce and training expenses. The cost of sales for on-hire staff includes the casual workers' wages, superannuation, payroll tax and worker's compensation insurance. The cost of sales for on-hire staff is variable and has historically moved in line with contracted staffing revenue. The expenses relating to the company's internal staff also includes staff wages, payroll tax, superannuation and worker's compensation insurance. Workforce and training expenses predominantly comprise of casual hire candidate training, testing and recruitment;
- Occupancy expense: These expenses relate to rent and utilities for the various offices as well as property outgoings and security costs;
- Other expenses: This category predominantly includes employee amenities, insurance, technology, stationary, printing, office repairs, postage and couriers; and
- Depreciation and amortisation: Assets are depreciated over their useful life, with depreciation increasing in line with the capital expansion of the operations. Amortisation relates to client lists, candidate databases, websites and software costs.

4.11.3. WORKING CAPITAL

Working capital includes trade and other receivables, prepayments, trade and other payables and provisions. People Infrastructure's working capital requirements are generally consistent throughout the year but increases as revenue increases.

People Infrastructure does experience some variability in working capital from month end to month end. This is due to movements in a range of assets and liabilities. The timing of hours and billings are driven by the number of Wednesday payroll periods occurring in each month (i.e. a month may contain 4 or 5 Wednesday payroll periods). The timing of payroll payments to staff, together with cash receipts from clients, all contribute to the variability in working capital.

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4.11.4. PURCHASES OF PLANT AND EQUIPMENT AND INTANGIBLES

Capital expenditure is typically related to expenditure on property improvements, vehicles, office furniture and equipment, and mobile application software. Capital expenditure is determined on an assessed needs basis.

A summary of People Infrastructure's pro forma purchases of plant and equipment and intangibles is set out in Table 4.11.

TABLE 4.11:
PRO FORMA PURCHASES OF PLANT AND EQUIPMENT AND INTANGIBLES

A\$000	Pro Forma Historical	Pro Forma Historical	Pro Forma Historical	Pro Forma Forecast
	FY15	FY16	FY17 ^{1, 2}	FY18
Net increase in the carrying value of plant and equipment and intangibles	305	558	841	360

Notes:

1. The FY17 figure does not include purchases of plant and equipment and intangibles relating to the acquisition of AWX and Edmen.

2. The FY17 figure includes approximately \$200,000 of costs relating to the fit out of new office space for People Infrastructure.

4.11.5. COMPARISON OF THE PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FY16 AND FY17

Table 4.12 below sets out a comparison of the pro forma statement of profit or loss and other comprehensive income for FY16 and FY17.

TABLE 4.12:
COMPARISON OF THE PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FY16 AND FY17

A\$000	Pro Forma			
	FY16	FY17	Change	% Change
Pro forma revenue	145,574	191,986	46,412	31.9%
Other income	264	180	(85)	(32.0%)
Employee benefits expense	(127,937)	(172,974)	(45,038)	35.2%
Occupancy expense	(1,415)	(1,288)	127	(9.0%)
Other expenses	(7,606)	(7,653)	(47)	0.6%
Pro forma EBITDA	8,881	10,250	1,369	15.4%

Pro forma revenue and other income increased by \$46.3 million (31.8%) to \$192.2 million due to People Infrastructure's revenue increasing across its various business units. This was driven by a combination of increased demand from existing clients for contracted staff, securing new clients (including government agencies) and opening a new office in New Zealand.

Pro forma costs increased \$45.0 million (32.8%) to \$181.9 million. In particular, employee benefits expenses increased from 87.9% to 90.1% of revenue. Employee benefits expenses are largely variable and generally move in line with revenue. Employee benefits expenses increased mainly due to an increase in demand for contracted staff from clients. Typically, People Infrastructure charges its clients a percentage margin on the wages it pays to its contracted workforce although some clients are charged on a different basis.

4.11.6. COMPARISON OF THE PRO FORMA CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES INFORMATION FOR FY16 AND FY17

Table 4.13 below sets out a comparison of the pro forma consolidated cash flows from operating activities information for FY16 and FY17.

TABLE 4.13:
COMPARISON OF THE PRO FORMA CONSOLIDATED CASH FLOWS FOR OPERATING ACTIVITIES INFORMATION FOR FY16 AND FY17
Pro Forma

A\$000	FY16	FY17	Change	% Change
Pro forma EBITDA	8,881	10,250	1,369	15.4%
Changes in net working capital	(1,031)	(2,705)	(1,674)	162.3%
Non cash movements in EBITDA	(248)	618	866	(349.8%)
Pro forma net cash flow from operating activities before interest and tax	7,602	8,164	562	7.4%
Net interest paid	(755)	(755)	-	0.0%
Income tax paid	(3,336)	(2,335)	1,001	(30.0%)
Pro forma net cash flow from operating activities	3,511	5,074	1,563	44.5%

Net cash flow from operating activities before interest and tax increased by \$0.6 million in FY17 from \$7.6 million to \$8.2 million.

A portion of the Income tax paid in FY16 relates to tax payable in FY15.

The non-cash movement in FY17 mainly relates to adding back bad and doubtful debts.

4.12. MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA FORECAST FINANCIAL INFORMATION

4.12.1. GENERAL ASSUMPTIONS

The following general assumptions are relevant to the Forecast Financial Performance:

- No change in applicable Australian Accounting Standards or the *Corporations Act (Cth) 2001* that would have a material effect on People Infrastructure's financial performance and the way in which it is reported;
- No material change in the competitive operating environment of People Infrastructure;
- No significant change in the legislative regimes and regulatory environments in the jurisdictions in which People Infrastructure or its key customers operate in;
- No material amendment to any material agreement relating to People Infrastructure's business;
- No significant delays in the performance of any major contracts;
- No material losses of customers or contracts;
- No significant disruptions to the continuity of operations of People Infrastructure and no other material changes in People Infrastructure's business;
- All debt facilities will be able to be repaid at the time of their maturity or refinanced on appropriate terms prior to their maturity;
- No material contract disputes, contingent liabilities or litigation other than already set out in this Prospectus;
- No loss of key staff or management personnel;
- No material business acquisitions or disposals;
- No significant increase in capital expenditure requirements; and
- People Infrastructure retains all existing required certifications and licenses.

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4.12.2. SPECIFIC ASSUMPTIONS

The basis of the specific assumptions that have been used in the preparation of the Forecast Financial Information for FY18 are set out below:

Revenue

- Average charge and volume of sales have been based on historical trends, expected market conditions and contractual arrangements;
- Stable market conditions across key trading sectors (community services, childcare, infrastructure, mining, food processing and hospitality);
- The seasonality of demand is consistent with historical trends; and
- The increased investment in sales team delivers increased sales while maintaining pricing levels in the short to medium term.

Other Income

- Other revenue has been based on historical trends, expected market conditions and contractual arrangements.

Staff expenses

- Variable costs including cost of casual labour remain in line with volume and revenue growth and historical margins are maintained;
- Staff wages are consistent with historical averages; and
- Economies of scale will allow internal staff expenses to decrease as a percentage of sales.

Occupancy expenses

- Occupancy costs have been based on existing contractual arrangements.

Depreciation

- Depreciation has been based on the company's fixed asset register and the estimated useful life of the company's assets.

Net finance costs

- Net finance costs have been determined with reference to the capital structure expected to be in place following the Completion of the Offer as if it occurred as at 1 July 2014. An average rate of interest of 7% has been used for the purposes of calculating the pro forma net finance costs.

Capex

- Only planned capital expenditure has been forecasted.

Working capital

- Customers pay within terms;
- Supply from third parties is maintained within agreed terms;
- Working capital as a percentage of sales is equal to historical trends; and
- The company has sufficient working capital facilities to fund short term shifts in working capital levels.

Other

- Completion of the Offer;
- No dividends are paid in FY18; and
- No impairment of the Company's assets.

4.12.3. COMPARISON OF THE PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FY17 AND FY18

Table 4.14 sets out a comparison of the pro forma statement of profit or loss and other comprehensive income for FY17 and FY18.

TABLE 4.14:
COMPARISON OF THE PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FY17 AND FY18

A\$000	Pro Forma			
	FY17	FY18	Change	% Change
Pro forma revenue	191,986	214,196	22,210	11.6%
Other income	180	286	106	59.0%
Employee benefits expense	(172,974)	(194,206)	(21,231)	12.3%
Occupancy expense	(1,288)	(1,207)	81	(6.3%)
Other expenses	(7,653)	(7,031)	622	(8.1%)
Pro forma EBITDA	10,250	12,038	1,788	17.4%

Pro forma revenue and other income is forecast to increase \$22.3 million (11.6%) to \$214.5 million in general due to an increase in the number of clients following further investment in the sales team and expected organic growth from existing clients. Also the New Zealand operations commenced during the second half of FY17. FY18 will be the first full year for the New Zealand operations.

People Infrastructure is also expected to benefit from the roll out of the National Disability Insurance Scheme (NDIS).

Pro forma costs are forecast to increase \$20.5 million (11.3%) to \$202.4 million. Employee benefits expenses are broadly forecast to increase in line with the increase in revenue (from 90.1% to 90.7% of revenue). Other expenses are forecast to decrease however mainly due to People Infrastructure changing its third party information and communications technology provider, which is expected to lead to significant cost savings.

4.13. SENSITIVITY ANALYSIS OF THE PRO FORMA FORECAST FINANCIAL INFORMATION

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of People Infrastructure, its Directors and management. As matters develop, the direction of People Infrastructure is subject to change.

Future events related to People Infrastructure cannot be predicted in advance with any certainty. Variation from the forecast results in the Forecast Financial Information are expected. Such variations may be material.

To assist potential investors to better understand the potential impact of changes in selected key variables, the Directors have provided the sensitivity analysis set out in Table 4.15 below.

Table 4.15 is a summary of the sensitivity of the pro forma forecast NPBT for FY18 (\$9.2 million as set out in Table 4.1) to changes in selected key variables. These key variables are not intended to be indicative of the complete range of variations that may be experienced and variations may be larger than allowed for in the sensitivity analysis. The selected sensitivity range for each sensitivity is not intended to be indicative or predictive of the likely range of outcomes that may occur.

Care should be taken in interpreting these sensitivities. The sensitivity analysis set out below treats each movement in the variables in isolation, in order to illustrate the potential impact on the forecast. In reality, the movements may be interdependent, offset each other and/or be additive. In addition, People Infrastructure management may respond to any adverse change in the variables analysed to minimise the net effect on People Infrastructure's earnings.

TABLE 4.15: SENSITIVITY ANALYSIS

Assumption	Variance	Pro forma NPBT FY 2018
		\$9.2 million
% change in total hours worked	(2.5%)/2.5%	(\$0.9m)/\$0.9m
Absolute change in EBITDA margin	(0.25%)/0.25%	(\$0.5m)/\$0.5m

4.14. DIVIDEND POLICY

The decision regarding the timing and amount of any dividends paid by People Infrastructure will be made by the Directors having regard to, among other matters, People Infrastructure's:

- Financial position;
- Current and expected future trading results;
- Current financial commitments, including debt repayments;
- Capital expenditure requirements;
- Available value accretive opportunities for which capital can be deployed;
- Tax position (including franking credit balances); and
- Legal or regulatory restrictions on the payment of dividends.

The Directors intend to have an indicative payout ratio of 45% to 60% of annual NPATA. This payout ratio is subject to variation for the matters set out above and the payout ratio may be lower or greater depending on the circumstances of the time.

It is anticipated that the first dividend will be paid in September 2018 in relation to the financial year ended 30 June 2018 (where available for distribution).

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People Infrastructure intends to frank dividends to the extent possible having regard to available franking credits at the time. Please refer to Section 9 regarding the availability of franking credits and other tax matters relevant to the receipt of dividends and their availability to be used by different investors. Some investors, particularly those outside Australia may not be eligible to utilise franking credits. The Directors cannot and do not provide any assurance about the quantum or timing of dividends or applicability of franking credits to dividends (if paid).

Please consider the above having regard to the Forecast Financial information in this Section.

4.15. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which have been adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

1. BUSINESS COMBINATIONS

- 1.1. The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by People Infrastructure. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.
- 1.2. Acquisition-related costs are expensed as incurred.
- 1.3. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, People Infrastructure recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.
- 1.4. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of People Infrastructure's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.
- 1.5. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
- 1.6. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2. PRINCIPLES OF CONSOLIDATION

- 2.1. The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (People Infrastructure) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- 2.2. The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of People Infrastructure from the date on which control is obtained by People Infrastructure. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by People Infrastructure.

3. GOODWILL

- 3.1. Goodwill is carried at cost less any accumulated impairment losses.
- 3.2. Goodwill on acquisition of subsidiaries is included in intangible assets.
- 3.3. Goodwill is tested for impairment annually and is allocated to People Infrastructure's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating division.

4. INCOME TAX

- 4.1. The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).
- 4.2. Current and deferred income tax expense/ (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

- 4.3. Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.
- 4.4. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

- 4.5. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.
- 4.6. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax consolidation

- 4.7. The parent entity, People Infrastructure, and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the Tax Consolidation Regime. Each entity in People Infrastructure recognises its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the head entity. People Infrastructure notified the ATO that it had formed an income tax consolidated group to apply from 6 October 2016.

5. PROPERTY, PLANT AND EQUIPMENT

- 5.1. Each class of property, plant and equipment is carried at cost, where applicable, less any accumulated depreciation and impairment losses.
- 5.2. The cost of fixed assets constructed within People Infrastructure includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.
- 5.3. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to People Infrastructure and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

- 5.4. The depreciable amount of fixed assets is depreciated either on a straight line or diminishing value basis over the assets useful lives depending on which method best reflects the pattern in which the asset's future economic benefits are expected to be consumed by People Infrastructure. Fixed assets are depreciated from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

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5.5. The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Property Improvements	2.5% - 20%
Vehicles	12.5% - 20%
Plant and equipment:	5% - 40%
Leased plant and equipment	12.5% - 20%
Office furniture and fittings	6% - 40%

6. LEASES

6.1. Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in People Infrastructure are classified as finance leases.

Financial leases

6.2. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

6.3. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

7. FINANCIAL INSTRUMENTS

Initial recognition and measurement

- 7.1. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).
- 7.2. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

- 7.3. Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.
- 7.4. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.
- 7.5. The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Loans and receivables

7.6. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

7.7. These investments have fixed maturities, and it is People Infrastructure's intention to hold these investments to maturity. Held-to-maturity investments held by People Infrastructure are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

7.8. Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

7.9. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

8. FAIR VALUE

8.1. People Infrastructure measures some of its assets at fair value. Fair value is the price People Infrastructure would receive to sell an asset in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

9. IMPAIRMENT

Impairment of financial assets

9.1. At each reporting date, People Infrastructure assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

9.2. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

9.3. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

9.4. In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

Derecognition

9.5. Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Impairment of non-financial assets

9.6. At each reporting date, People Infrastructure reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4 FINANCIAL INFORMATION

- 9.7. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.
- 9.8. Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, People Infrastructure estimates the recoverable amount of the cash-generating unit to which the asset belongs.

10. INTANGIBLE ASSETS

- 10.1. Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

- 10.2. Significant costs associated with patents and trademarks are deferred and amortised on a straight line basis over the period of their expected benefit, being their finite life of three to five years.

Mobile Application Software

- 10.3. Mobile Application Software has been classified as an intangible asset with a finite life. It is amortised on a straight-line basis over the expected useful life of the software. The life is 5 years.

Customer Relationships

- 10.4. The identifiable net assets acquired as a result of a business combination may include intangible assets other than goodwill. Any such intangible assets are amortised straight line over their expected future lives. The estimated useful lives of customer relationships are 5.5 years.

11. EMPLOYEE BENEFITS

Short-term employee benefits

- 11.1. Provision is made for People Infrastructure's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

- 11.2. Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.
- 11.3. People Infrastructure's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where People Infrastructure does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Post-employment benefits plans

- 11.4. People Infrastructure provides post-employment benefits through defined contribution plans.

Defined contributions plans

- 11.5. People Infrastructure pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. People Infrastructure has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

12. PROVISIONS

- 12.1. Provisions are recognised when People Infrastructure has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.
- 12.2. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

13. CASH AND CASH EQUIVALENTS

- 13.1. Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

14. REVENUE

- 14.1. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.
- 14.2. Revenue from contract hire and contract revenue is recognised in the accounting period in which the services are rendered.
- 14.3. Revenue from recruitment activities is recognised in the accounting period in which the services are rendered.
- 14.4. Revenue and expenses from construction activities are recognised in accordance with the percentage of completion method unless the outcome cannot be reliably estimated. Where the outcome of the contract cannot be reliably estimated, contract costs are recognised as an expense as incurred and where it is probable that costs will be recovered revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract the excess of total expected contract costs over the total expected contract revenue is recognised as an expense immediately.

14.5. Revenue from maintenance activities is recognised in the accounting period in which the services are rendered.

14.6. Revenue from consultancy services is recognised in the accounting period in which the services are rendered.

14.7. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

14.8. All revenue is stated net of the amount of Goods and Services Tax (GST).

15. TRADE AND OTHER RECEIVABLES

- 15.1. Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.
- 15.2. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

16. TRADE AND OTHER PAYABLES

- 16.1. Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables includes an earn out of \$1.75 million payable to the relevant vendors of AWX.

17. BORROWING COSTS

- 17.1. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- 17.2. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

4 FINANCIAL INFORMATION

18. GOODS AND SERVICES TAX (GST)

- 18.1. Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
- 18.2. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated statement of financial position.
- 18.3. Cash flows are presented on a gross basis.

19. COMPARATIVE FIGURES

- 19.1. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

20. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

- 20.1. The following are significant management judgements in applying the accounting policies of People Infrastructure that have the most significant effect on the financial statements. Critical estimation uncertainties are described below.

Estimation uncertainty

- 20.2. When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.
- 20.3. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Revenue

- 20.4. People Infrastructure uses the percentage of completion method in accounting for its fixed price contracts to deliver services. Use of the percentage of completion method requires People Infrastructure to estimate the services performed to date as a proportion of the total services to be performed.

Impairment of financial assets

- 20.5. In the process of measuring expected future cash flows from financial assets, including trade receivables, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to People Infrastructure's assets within the next financial year.

Useful lives of depreciable assets

- Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to People Infrastructure. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

5 RISK FACTORS



Investing in the Offer Shares involves a high degree of risk. There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of People Infrastructure and the value of the Shares.

In that case, the market price of the Offer Shares could decline, and you could lose all or part of your investment. While People Infrastructure is proposed to be listed on the ASX, People Infrastructure's Shares may trade lower than any price paid for them and there is a risk that investors may not be able to sell their Shares at the sale price that they wish for due to the illiquid nature of the Shares.

Some of these risks may be mitigated by People Infrastructure's internal controls and processes, but many are outside the control of People Infrastructure, the Directors and management. An investment in People Infrastructure should be considered speculative. There can be no assurance that People Infrastructure will achieve its stated objectives or that any forward-looking statements will eventuate. The past performance of the Company is not necessarily a guide to future performance.

No investment is risk-free and the Shares in People Infrastructure are no exception. Potential investors should seek financial and legal advice before deciding to acquire Shares in People Infrastructure.

You should carefully consider the risks described below and all of the other information set out in this Prospectus before deciding to invest in the Offer Shares. The risks below have been separated into:

- risks specific to an investment in People Infrastructure in respect of its Shares, its business and the industry described in Section 5.1; and
- general risks relating to an investment in a listed company described in Section 5.2.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management as at the date of the Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the business and financial position and performance.

You can do some things to reduce the impact of risk. Firstly, get professional advice suited to your investment objectives, financial situation and particular needs. Nothing in this Prospectus can replace or offer independent professional advice. Secondly, invest for at least the time frame recommended by your professional adviser.

5.1. RISKS SPECIFIC TO AN INVESTMENT IN PEOPLE INFRASTRUCTURE

The operating results and profitability of the Company are sensitive to a number of factors. The Company should not be seen as a predictable, low risk investment.

It is not possible to identify every risk associated with investing in the Company, however, the following list sets out the significant key risks associated with investing in the Company. There may be other risks associated with investing in the Company. The risks set out in the following table, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects.

This is not an exhaustive list of risks. They should be considered in conjunction with the other information disclosed in this Prospectus.

5 RISK FACTORS

Type of Risk	Description of Risk
Downturn in employment market	The performance of People Infrastructure will be influenced by the overall employment market and general economic conditions in Australia which are, by their nature, cyclical and subject to change. This includes, but is not limited to, the level of employment, aggregate hours worked, wages growth and the split of casual, part-time and full-time employment. A downturn in the Australian economy generally, may adversely impact People Infrastructure's financial performance. People Infrastructure operates over a range of industries and sectors, including those outlined in Section 2. A downturn in any of these industries or sectors could negatively impact upon the financial performance of People Infrastructure.
Contractor/employee risk and exposure to litigation	People Infrastructure places staff in the workplaces of other businesses and People Infrastructure has joint responsibility under applicable occupational health and safety laws for staff which are placed with clients. In certain circumstances it is possible that People Infrastructure may be held responsible for the actions at a workplace of persons not under its direct control. Should an adverse event relating to an employee's health or safety occur this may impact People Infrastructure's reputation and its ability to win business.
Increase in competition risk	The industry within which People Infrastructure operates is highly competitive with low barriers to entry leading to a large number of workforce management companies operating in Australia. These companies include a mixture of private and public listed companies, with both local and international ownership. People Infrastructure's performance could be adversely affected if existing or new competitors reduce its market share and existing or new competitors may have substantially greater resources, better technology or access to more markets than People Infrastructure. Competitors may succeed in offering services which are more cost effective than those that are offered by People Infrastructure. This may place pricing pressure on People Infrastructure's service offering and may impact on its ability to retain existing clients as well as its ability to attract new clients. If People Infrastructure cannot compete successfully, the Company's business, operating results and financial position could be adversely impacted.
Regulatory risk	There are a number of industry risk factors that may affect the future operation or performance of the Company that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally. For example, the federal and state governments are currently exploring regulatory changes to the labour hire industry which may result in, among other things, the requirement for labour hire providers to maintain a license to operate in the industry. The Queensland government has recently passed the <i>Labour Hire Licensing Act 2017</i> (Qld) which establishes a mandatory labour hire licensing scheme for labour hire companies with penalties for breach of their obligations including potential loss of licence. This could adversely impact the financial results of People Infrastructure if it is unable to secure the licenses required or if it were to lose its licence or if the cost of compliance with new regulations becomes material to the business. In addition, government and trade union regulation may lead to changes to the existing awards and agreements People Infrastructure has in place with clients and employees, which may adversely impact the Company.
Reliance on key personnel	People Infrastructure's success is dependent to a significant degree upon the efforts, experience and knowledge of its management team. The loss of key members of management, a change in the senior management team or the failure to attract additional skilled individuals to key management roles, could have a material adverse effect on the Company's operations, including its relationships with key customers and suppliers.

Type of Risk	Description of Risk
Integration of recent acquisitions	People Infrastructure recently acquired AWX and Edmen. The Company is moving through a process of integrating the operations of these companies which carries potential integration risks. Any unforeseen integration issues may adversely impact the Company's operating results.
Maintenance of professional reputation and brand name	The Company's success is reliant on the reputation of its various brands being Edmen Community Services which focuses on the community care sector, AWX which services the infrastructure, industrial, mining, landscaping and food processing sectors and Expect-A-Star which services the childcare sector. Unforeseen issues or events which place the relevant division's reputation at risk, may impact future growth and profitability.
Concentration of customers	People Infrastructure generates a significant amount of revenue from a limited number of key customer relationships. A loss of business from, or cancellation of a contract by, these key customers may have a material impact on the Company's earnings and financial position.
Suitable candidates	The ability of People Infrastructure to satisfy demand for its services is dependent on maintaining, sourcing and attracting a pool of suitable candidates in order to fill positions. A further tightening of the labour market may reduce the availability of suitable candidates and may impact on People Infrastructure's ability to generate fees from placing such candidates with clients or impose greater costs in recruiting candidates.
Identification of suitable acquisition targets	<p>People Infrastructure expects that it will continue to grow both organically and through executing appropriate acquisitions in the future. The success of any future acquisitions is dependent on a number of factors including:</p> <ul style="list-style-type: none"> - identifying suitable acquisition targets that meet People Infrastructure's acquisition criteria; - the availability of equity or debt financing on acceptable terms to fund the acquisitions; - People Infrastructure's ability to manage the newly acquired personnel, operations, products, technologies and systems of the acquired businesses; - retaining and motivating the personnel of the acquired businesses; and - maintaining current clients and securing new clients for the acquired businesses.
Change in client circumstances	People Infrastructure provides services to clients operating in rapidly evolving industries, including the disability services sector which is being impacted by the change to disability funding through implementation of the NDIS. Changes to client circumstances as a result of their industries evolving may adversely impact their demand for People Infrastructure's services, and negatively impact the Company's operating results and financial position.
Loss of customer contracts	The Company generally provides services to clients under relatively short-term arrangements. Clients are generally able to reduce or cancel their use of the Company's services and terminate relevant contracts without penalty at relatively short notice.
Counter-party default	People Infrastructure generally enters into arrangements where it is responsible for all wages and remuneration payable to contracted staff. Generally, clients of the People Infrastructure are then charged on the basis of hours of work performed. If a material portion of clients were to default in payment under their respective arrangements with People Infrastructure this could have a material adverse effect on People Infrastructure's business, operating results and financial condition.

5 RISK FACTORS

Type of Risk	Description of Risk
Financing risk	People Infrastructure may require further funding in the future to maintain and grow its business or fully exploit business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently. If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its business activities, forgo a business opportunity, or adopt alternative funding options or a modified growth strategy, which could adversely affect its business, financial condition and results of operation.
Change in client preferences	There is a risk that client preferences for and/or behaviours with respect to outsourcing the human resources role will change or evolve such that demand for People Infrastructure's services is reduced. The loss of customers would have an adverse impact on the revenue and financial position of the Company.
Technology risks	People Infrastructure relies on proprietary and third-party software and hardware to operate the business. The technology is critical in managing its employees, clients and reporting requirements. Any significant interruption to these systems could adversely impact the Company's business, operating results and financial position.
Escrowed shareholdings	<p>The Existing Shareholders have entered into voluntary restriction agreements, which restrict them from selling, creating a security interest in or otherwise dealing in any of the Shares on issue prior to Completion of the Offer, including the Conversion Shares, being 39,044,200 Shares (representing 60.94% of the total issued Shares following Completion of the Offer) for the period commencing on the date of Listing and:</p> <ul style="list-style-type: none"> (a) ending on the business day after the release of the Company's results for the half year ending 31 December 2017 in respect of 4,115,684 Shares (approximately 6.43% of the total Shares on issue on Completion of the Offer); (b) ending six months from the date of Listing in respect of 9,699,009 Shares (approximately 15.14% of the total Shares on issue on Completion of the Offer); (c) ending the business day after the release of the Company's annual results for the financial year ending 30 June 2018 in respect of 19,626,474 Shares (approximately 30.65% of the total Shares on issue on Completion of the Offer); and (d) ending the business day after the release of the Company's annual results for the financial year ending 30 June 2019 (or 30 September 2019, if the results have not been released by that date) in respect of 5,603,033 Shares (approximately 8.75% of the total Shares on issue on Completion of the Offer). <p>This escrow may adversely affect the liquidity of Shares for up to 2 years after the Completion of the Offer, which could adversely affect the prevailing market price at which Shares can be sold, and the time it takes Shareholders to sell their Shares.</p> <p>Any sale of Shares following expiry of the escrow period, or the perception that such sale might occur, could adversely affect the market price of the Shares.</p>

5.2. GENERAL RISK FACTORS APPLYING TO AN INVESTMENT IN A LISTED ENTITY

Type of Risk	Description of Risk
Share market and liquidity	<p>The market price of the Shares can rise and fall and may be subject to varied and unpredictable influences on the share market. The trading price of the Shares at any given time may be higher or lower than the price paid under the Offer. Further, you may be unable to sell or realise your investment because the market for Shares may be illiquid.</p> <p>Share market conditions are affected by many factors, including:</p> <ul style="list-style-type: none"> – general economic outlook; – interest rates and inflation rates; – currency fluctuations; – changes in investor sentiment towards equities or particular market sectors; – political instability; – short selling and other trading activities; – the demand for, and supply of, capital; and – force majeure events. <p>In the future, the sale of large parcels of Shares may cause a decline in the price at which the Shares trade on the ASX. The escrow arrangements outlined in Section 11 detail when Shares will be released from escrow.</p>
Financial market volatility	<p>A fall in global or local equity markets or global or local bond markets may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which the Shares trade on ASX.</p>
General economic conditions	<p>People Infrastructure may be negatively impacted by changes in the Australian or other international economies. In particular, there are risks from continued volatility in the US and Europe, international debt issues, impacts from currency and interest rate shifts and the potential for a contraction in the availability of debt or capital.</p> <p>These macro-economic factors may impact negatively through reduced future revenues, reduced demand for People Infrastructure’s services, increased costs, foreign exchange losses, impacts of government responses to macro-economic issues and impacts on equity markets. These factors are beyond the control of People Infrastructure and the impact cannot be predicted.</p>
Dividends	<p>People Infrastructure expects to pay dividends in the future. The ability of the Company to pay dividends will depend on the level of available liquidity taking in to account future expected cash requirements of the Company. In addition, many of the factors that will affect People Infrastructure’s ability to pay dividends and the timing of those dividends may be outside the control of the Company and its Directors. The Directors cannot give any assurance regarding the payment of dividends in the future.</p>

5 RISK FACTORS

Type of Risk	Description of Risk
General regulatory risks	<p>The Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time, depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to: the risk of changes to applicable laws and/or the interpretation of existing laws, which may have a negative effect on the Company; or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p>
Shareholder dilution	<p>In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of such issues of Shares or other securities.</p>
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change which may affect the Company and its Shareholders.</p> <p>There may be tax implications arising from ownership of the Shares, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the Shares.</p> <p>Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the ATO.</p> <p>The Company is not responsible for either taxation implications or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.</p>
Changes to financial reporting standards	<p>People Infrastructure's financial reports will be subject to compliance with the Australian Accounting Standards issued by AASB. The accounting treatment under the Australian Accounting Standards of transactions and events occurring in the operation of People Infrastructure's business, or changes to accounting standards, may have a material adverse effect on the performance reported in the Company's financial statements or in respect of other announcements to ASX.</p>
Other	<p>There are a range of other general risks, which may impact on People Infrastructure's business or an investment in the Shares, which include but are not limited to:</p> <ul style="list-style-type: none">- industrial action impacting the business directly or indirectly; and- government policies generally (in addition to taxation noted above).

6 KEY PEOPLE, INTERESTS AND BENEFITS



6.1. BOARD COMPOSITION

The business and affairs of the Group are managed directly by the Board. In particular, the Board:

- establishes the long-term goals of the Group and strategic plans to achieve those goals;
- manages risk by ensuring that the Group has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- works with management to create shareholder value.

The Board is composed of experienced executives, with a broad and diverse range of business experience. The composition of the Board is set out below.



Glen Richards – Chairman and Non-Executive Chairman

Mr Richards has over 26 years of experience in the retail and professional services sectors with extensive operational experience in fast growing companies, especially in health care and allied health sectors. Mr Richards was the founding Managing Director of Greencross Limited and Co-Founder of Mammoth Pet Holdings Pty Ltd, prior to its merger with Greencross Limited in 2014. He is currently Chairman of Healthia Pty Ltd and a director of Greencross Limited, Montserrat Private Day Hospitals, Smart Clinics General Medical Practices, Regeneus Ltd and 1300Smiles Limited. Mr Richards is also a shareholder, advisor and mentor to a number of innovative technology companies.



Declan Sherman – Managing Director and Executive Director

Mr Sherman commenced with People Infrastructure in 2015 and has been Managing Director of the Company since 2016. Mr Sherman has a distinguished history in financial services and operational consulting. In 2010, Mr Sherman founded Everlight Capital in New York, a leading boutique consulting and investment firm operating throughout the Americas. Between 1999 and 2010, Mr Sherman worked in the private equity and investment banking divisions of Macquarie Group in both Sydney and in New York.



Tom Reardon – CEO AWX Group and Executive Director

Mr Reardon is an Executive Director of People Infrastructure and is CEO of AWX. Mr Reardon commenced with People Infrastructure in 2003, became a director in 2006 and proceeded to significantly grow the business into one of the leading labour hire and workforce management groups in Australia. He is recognised throughout Australia as a leader in the workforce management sector. Mr Reardon has been responsible for major growth and also launched other workforce brands including Mobilise and Timberwolf, which have grown to be successful labour hire brands of People Infrastructure.



Elizabeth Savage – Independent Non-Executive Director

Ms Savage has extensive commercial leadership and strategic development experience, having held senior executive roles scaling international corporations easyJet Plc, Monarch Travel Group and, most recently, as Group Executive Commercial of Virgin Australia Airlines Pty Ltd. In 2012, Ms Savage established a successful consulting practice advising well-recognised corporations in the travel and tourism, retail, automotive, telecommunications and technology sectors. Ms Savage is currently Non-Executive Director of Mantra Group Limited, Triathlon Australia Pty Ltd and Brisbane Marketing Pty Ltd.

6 KEY PEOPLE, INTERESTS AND BENEFITS

6.2. MANAGEMENT TEAM

Declan Sherman –

Managing Director and Executive Director

Refer to Section 6.1 for summary of experience.

Tom Reardon –

CEO AWX Group and Executive Director

Refer to Section 6.1 for summary of experience.

Linda Cascone –

Chief Financial Officer

Ms Cascone joined Edmen Group in 1999 and has worked in several roles across the finance division, including having responsibility for all industrial relations and statutory obligations of the Company. Ms Cascone was involved in building Edmen from a small blue collar contracted workforce business into a leading workforce management company focused on the community services sector. Ms Cascone was promoted to Financial Controller of Edmen Group in 2010 and CFO of People Infrastructure in 2017.

6.3. REMUNERATION AND INTERESTS

Refer to Section 11.6 for details of the remuneration and interests of, and the indemnity, access and insurance arrangements in place for, Directors and officers and the remuneration of certain members of key management personnel.

6.4. THE BOARD AND CORPORATE GOVERNANCE

The Board is concerned to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors and officers operate in an appropriate governance environment. The Board is responsible for the overall governance of the Company.

Issues of substance affecting the Company are considered by the Board with advice from external advisors as required. Each Director must declare all actual or potential conflicts of interest. Any issue concerning a Director's ability to properly act as Director will be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

6.4.1. GOVERNANCE POLICIES

The governance policies set out in this Section 6.4.1 have been adopted by the Board and will be made available on the Company's website prior to its admission to the Official List.

Governance policy	Summary
Board charter	The board charter formalises the functions and responsibilities of the Board (including the process for evaluating the performance of the Board and its committees). The Board is responsible for the financial and operating policies of the Company and has authority over the day to day management of the Company including various responsibilities which have been set out in the board charter.
Code of conduct	The code of conduct addresses matters relevant to the Directors' legal and ethical obligations to its stakeholders. This policy outlines its requirements with respect to relationships, compliance with laws and ethics, conflicts of interest, confidentiality, use of the Company's assets and competition.
Securities trading policy	The securities trading policy sets out the Company's policy with regard to trading in the Company's securities. This policy applies to all Directors and their associates. The policy sets out the general prohibition on insider trading, restrictions on trading and required notification of proposed trading in the Company's securities.
Diversity policy	The diversity policy sets out the Company's policy with regard to its commitment to complying with the diversity recommendations published by ASX by establishing measurable objectives for achieving gender diversity, promoting diversity among consultants and the Board and keeping Shareholders informed of the Company's progress towards implementing and achieving its diversity objectives.
Shareholder Communications policy	<p>The shareholder communications policy has been adopted with a view to ensuring that the Company complies with the requirements of the ASX Listing Rules. This policy highlights: the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing the information; and policy review details.</p> <p>The policy also outlines responsibilities for shareholder communications including: reports issued to shareholders; ASX announcements; annual general meetings; maintenance of the Company website; and requests for information.</p>
Continuous disclosure policy	The continuous disclosure policy has been adopted with a view to ensuring that the Company complies with the requirements of the ASX Listing Rules. The policy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing the information; and policy review details.
Risk management policy	This policy is designed to assist the Company to identify, monitor and manage the risks affecting the Company's business.

6 KEY PEOPLE, INTERESTS AND BENEFITS

Governance policy	Summary
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Audit and risk committee charter	
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The Board is committed to a transparent system for auditing and reporting the Group's financial performance. The Board has established an audit and risk Committee whose principal functions are to:

- (a) assist the Board and ensure that appropriate accounting policies and internal controls are established and followed;
- (b) assist the Board to produce accurate financial statements in compliance with all applicable legal requirements and accounting standards; and
- (c) ensure the efficient and effective management of business risks.

The Company has established a system of risk oversight and management. The Company's senior management maintains a risk register and this is reviewed at each meeting of the Audit and Risk Committee.

The audit and risk committee charter outlines: the composition of the audit and risk committee; its authority and responsibilities; meeting requirements; reporting procedures; and oversight of the risk management system.

As at the date of this Prospectus, Glen Richards, Elizabeth Savage and Declan Sherman are members of the Company's audit and risk committee, and Elizabeth Savage is appointed as the chair.

Nomination and remuneration committee charter	
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The nomination and remuneration committee's role is to:

- (a) assist the Board and make recommendations to it about the appointment of new directors of the Company (both executive and non-executive); and
- (b) advise on remuneration and issues relevant to remuneration policies and practices, including for directors and senior management.

The nomination and remuneration committee charter outlines the composition of the committee; its responsibilities (including in relation to the selection of and making recommendations about new Board candidates and ongoing responsibilities for Board member performance reviews, assessments and remuneration policies) and its meeting requirements.

As at the date of this Prospectus, Glen Richards, Elizabeth Savage and Declan Sherman are members of the Company's nomination and remuneration committee, and Glen Richards is appointed as the chair.

6.4.2. BEST PRACTICE COMMITMENT

The Company is committed to achieving and maintaining the highest standards of conduct and has implemented initiatives (as set out in this Section 6) to achieve this objective. The Company's corporate governance policies are intended to institutionalise good corporate governance and build a culture of best practice both in the Company's own internal practices and in its dealings with others.

The Company has considered the ASX Corporate Governance Principles to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's nature of operations and size and will seek to follow these recommendations where possible.

As required under the ASX Listing Rules, where the Company determines it would be inappropriate to follow the principles because of its circumstances, the Company will provide reasons for not doing so in its annual report.

As at the date of this Prospectus, the Board does not anticipate that it will depart from the recommendations in the ASX Corporate Governance Principles, other than as set out below.

Recommendation	Comment
2.2 - Board skills matrix	The Board has departed from Recommendation 2.2 as it has not adopted a board skills matrix setting out the mix of the skills and diversity that the board currently has or is looking to achieve. The Board has been structured to compose experienced executives with a broad and diverse range of business experience and has appointed the Nomination and Remuneration Committee to make recommendations to the Board to ensure the most appropriate mix of skills, expertise and experience to effectively govern the Company. Although the Board Charter provides for the use of a board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors of the Board, the Board does not consider it is necessary to develop a board skills matrix at this time. The experience and skills of each Director is disclosed in this Prospectus.
2.4 - Majority of Board should be independent	The Board has departed from Recommendation 2.4 by having a Board which is only half comprised of independent directors. The Board does not consider the departure to be materially detrimental to the Company as it has considered the Board's independence and concluded that the non-executive Directors (Glen Richards and Elizabeth Savage) bring objective and unbiased judgement to the Board's deliberations and that the executive Directors (Declan Sherman and Tom Reardon) provide for a deep understanding the Company's business and the labour hire industry.
3.1 - Code of conduct	The Board has adopted a code of conduct in relation to the Directors' legal and ethical obligations regarding their position within the Company. Given the fact that the majority of the Company's management are also Directors, the Board has determined that the departure is not materially detrimental to the Company. The Board will adopt an appropriate policy extending to all employees and non-director management personnel at the relevant time.
4.1 - Audit Committee should be comprised of all non-executive directors	The Board has departed from Recommendation 4.1 by establishing an Audit and Risk Committee which is not comprised entirely of non-executive directors. The Board believes that the current members of the committee are the most appropriate to achieve its objectives. For this reason, the Board does not consider the departure to be materially detrimental to the Company.

6.4.3. COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary. As at the date of this Prospectus, Zoe Levendel is the Company Secretary.

6 KEY PEOPLE, INTERESTS AND BENEFITS

6.5. INDEPENDENCE

Having regard to the factors set out in the ASX Corporate Governance Principles:

- Glen Richards and Elizabeth Savage are considered to be independent Directors, free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of the Directors' judgement and each is able to fulfil the role of an independent director for the purposes of the ASX Corporate Governance Principles. Whilst Glen Richards (through an entity he directly or indirectly controls) will be both a Shareholder and an Optionholder of the Company at the Completion of the Offer, Mr Richards will not be considered a 'substantial holder' of the Company on the basis that his holdings will constitute less than 5% of the Company's issued share capital. Whilst Elizabeth Savage (through an entity she directly or indirectly controls) will be an Optionholder of the Company at the Completion of the Offer, Ms Savage will not be considered a 'substantial holder' of the Company on the basis that her holdings will constitute less than 5% of the Company issued share capital; and
- Declan Sherman and Tom Reardon are not currently considered independent given their respective employment by the Company in executive roles.
- The Board does not consist of a majority of independent Directors. The Board acknowledges the ASX Recommendation that a majority of the Board should be independent non-executive directors. Nevertheless, the Board believes that each of the non-executive Directors brings objective and unbiased judgement to the Board's deliberations and that each of the executive Directors make invaluable contributions to the Company through their deep understanding of People Infrastructure's business and the labour hire industry.

6.6. INDEPENDENT PROFESSIONAL ADVICE

To fulfil their duties and responsibilities as Directors, each Director (with the prior approval of the chairman) may seek independent legal or other professional advice about any aspect of the Company's operations. The chairman's approval may not be unreasonably withheld or delayed. The cost of the advice is borne by the Company.

7 DETAILS OF THE OFFER



7.1. THE OFFER

The Offer comprises a capital raising of \$25 million by way of issue of 25 million New Shares at \$1.00 per Share.

The New Shares will rank equally in all respects with all other Shares issued by the Company. The rights and liabilities attaching to the Shares are set out in Section 11. On Completion of the Offer, 39,044,200 Shares will be held by Existing Shareholders and 39,044,200 Shares will be subject to voluntary escrow agreements, as described in Sections 10.8 and 11.7.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus. The Offer is fully underwritten by the Joint Lead Manager and Underwriters.

7.1.1. STRUCTURE OF THE OFFER

The Offer comprises:

- the Broker Firm Offer, which is open to persons who receive an allocation of Shares from their Broker and who have a registered address in Australia or New Zealand; and
- the Institutional Offer, which consisted of an invitation to bid for Shares made to Institutional Investors.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares.

The Offer Shares will be issued to successful Applicants on the Offer Shares Allotment Date.

The Company reserves the right in its absolute discretion to issue no Offer Shares to Applicants under the Offer. All Applicants under the Offer must have an eligible residential address in Australia or New Zealand.

7.1.2. PURPOSE OF THE OFFER

The purpose of the Offer is to:

- enable ownership of the Company to be shared with the Company's employees;
- provide access to capital markets to improve financial flexibility for growth;
- provide funding to repay debt drawn on the Company's debt facilities;
- provide People Infrastructure the benefits of an increased profile that arises from being a listed entity;
- obtain a listing on the ASX;
- provide access to capital markets to improve financial flexibility for growth; and
- provide a liquid market for the Shares.

Existing Shareholders are not selling down any shares as part of the Offer.

7.1.3. SOURCE AND USE OF FUNDS

The Offer is expected to raise \$25 million. The proceeds from the Offer will be applied as follows:

Source of proceeds	\$ millions
Issue of New Shares	25.0
Total	25.0

Use of proceeds	\$ millions
Repayment of debt facilities	19.6
Fund working capital	3.2
Pay costs of the Offer	2.2
Total	25.0

7.1.4. POTENTIAL EFFECT OF THE FUNDRAISING ON THE FUTURE OF THE COMPANY

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

7 DETAILS OF THE OFFER

7.1.5. SHAREHOLDING STRUCTURE

The details of the ownership of Shares immediately prior to and on Completion of the Offer²⁵ are set out below.

Shareholders	Shares held immediately prior to Completion of the Offer	Shares issued under the Offer and the Convertible Note Conversion ²⁶	Shares held on Completion of the Offer	Percentage held on Completion of the Offer
Existing Shareholders	23,343,356 Shares	15,700,844 Shares	39,044,200 Shares	60.96%
New Shareholders	-	25,000,000 Shares	25,000,000 Shares	39.04 %
Total	23,343,356 Shares	40,700,844 Shares	64,044,200 Shares	100%

²⁵ following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.

²⁶ under the Offer and as a result of the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date).

7.1.6. CONTROL IMPLICATIONS OF THE OFFER

The Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) People Infrastructure on Completion.

However, by virtue of his indirect holding through Investco Services, Declan Sherman will hold an aggregate of a 12.42% Shareholding on Completion of the Offer and will be in a position to vote his shareholding in order to exercise a degree of influence over all matters that require approval by Shareholders, including the election and removal of Directors and approval of significant corporate transactions (unless prevented from voting under the Corporations Act or the ASX Listing Rules).

The Company will also have a relevant interest in approximately 60.96% of the Shares on Completion of the Offer, pursuant to voluntary escrow agreements, for which ASIC has granted the Company relief. However, these agreements only restrict the transfer of the Shares, they do not restrict the voting rights of the holders of those Shares.

7.2. TERMS AND CONDITIONS OF THE OFFER

What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company)
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including rights and liabilities attaching to them is set out in Section 11.
What is the consideration payable for each security being offered?	The Issue Price per Offer Share is \$1.00
What is the Offer period?	The proposed opening date for acceptance of the Offer will be 30 October 2017 or such later date as may be prescribed by ASIC. The Offer is expected to remain open until 5.00 pm (AEST) 10 November 2017. The Directors reserve the right to open and close the Offer at any other date and time, without prior notice. No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.
What are the cash proceeds to be raised?	\$25 million will be raised if the Offer proceeds.

Is the Offer underwritten?	<p>The Offer is fully underwritten by Morgans Corporate Limited and Ord Minnett Limited.</p> <p>If the Company does not receive applications for the full amount of 25 million Shares under the Offer, the Joint Lead Managers and Underwriters will subscribe for, or procure subscriptions for any shortfall.</p> <p>Refer to Section 10 for full details of the Underwriting Agreement.</p>
What is the minimum and maximum application size under the Broker Firm Offer?	<p>The minimum application is \$2,000 for 2,000 Offer Shares, with incremental multiples of 500 Offer Shares (i.e. incremental multiples of at least \$500).</p> <p>There is no maximum Application under the Broker Firm Offer or the Institutional Offer.</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer and the Institutional Offer was determined by the Joint Lead Managers in consultation with the Company having regard to the allocation policy outlined in Sections 7.3.6 and 7.4.2.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate Shares among eligible retail clients.</p>
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about 17 November 2017.</p>
Will the Shares be quoted?	<p>The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List and will seek quotation of the Shares on ASX under the code "PPE". Completion of the Offer is conditional on the ASX approving this application.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 22 November 2017, subject to ASX confirmation.</p> <p>It is the responsibility of each Applicant to confirm their own holdings before trading on ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at its own risk.</p>
Are there any escrow arrangements?	<p>The Escrowed Securityholders have entered into voluntary escrow arrangements, details of which are set out in Sections 10.8 and 11.7.</p>
Has ASIC relief or the ASX waiver been obtained or been relied on?	<p>The details of ASIC and ASX relief, waivers and confirmations are set out in Section 11.15.</p>
Are there any taxation considerations?	<p>The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.</p> <p>A general overview of the Australian and New Zealand taxation implications of investing in the Company is set out in Section 9. The information in Section 9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.</p>

7 DETAILS OF THE OFFER

Are there any brokerage, commission or stamp duty considerations?

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Offer Shares under the Offer.

See Section 11.10 for details of various fees payable by the Company to the Joint Lead Managers and Underwriters.

What should I do with any enquiries?

The Prospectus (including the Application Form) and information about the Offer can be accessed in electronic form at www.peopleinfrastructure.com.

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST.

7.3. BROKER FIRM OFFER

7.3.1. WHO CAN APPLY?

The Broker Firm Offer is open only to Australian and New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate. If you have received an invitation to participate from your Broker, you will be treated as a Broker Firm Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer. The Broker Firm Offer is not open to persons in the United States.

7.3.2. HOW TO APPLY?

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Application Form and for payment instructions. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker or the Offer Information Line on 1800 502 914 (toll free within Australia) or 1800 502 914 (outside Australia) to request a Prospectus and Application Form, or download a copy at www.peopleinfrastructure.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (AEST) on the Offer Closing Date or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your invitation to participate. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

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

The minimum application under the Broker Firm Offer is \$2,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company and the Joint Lead Managers and Underwriters reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Offer which are for more than \$100,000 worth of Shares.

The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

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

The Broker Firm Offer opens at 9.00am (AEST) on 30 October 2017 and is expected to close at 5.00pm (AEST) on 10 November 2017. The Company and the Joint Lead Managers and Underwriters may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The 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. Please contact your Broker for instructions.

7.3.3. HOW TO PAY

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

7.3.4. 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 Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to Successful Applicants.

Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. 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.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Issue Price. Where the Issue Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be determined by the Applicant's Broker.

7.3.5. ACCEPTANCE OF APPLICATIONS

An Application in the Broker Firm Offer is an offer by an Applicant to the Company to apply for Shares specified on the Application Form at the Issue Price per Offer Share on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding quotation on ASX in Section 7.9 and the acknowledgements in Section 7.10). To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Joint Lead Managers and Underwriters, in agreement with the Company, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.

7.3.6. BROKER FIRM OFFER ALLOCATION POLICY AND CONFIRMATION

The basis of allocation of Offer Shares under the Offer will be determined by the Joint Lead Managers and Underwriters, in consultation with the Company. There is no assurance that any person will be allocated any Shares or the number of Shares for which they apply.

The Company reserves the right in its absolute discretion to not issue Offer Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Offer Shares than those applied for at its absolute discretion.

Applicants under the Offer will be able to call the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST, from 30 October 2017.

Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 17 November 2017.

7 DETAILS OF THE OFFER

7.4. INSTITUTIONAL OFFER

7.4.1. INVITATIONS TO BID

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.

The Joint Lead Managers and Underwriters separately advised Institutional Investors of the Application procedures for the Institutional Offer. Shares acquired by Institutional Investors as part of the Institutional Offer will be transferred under this Prospectus.

7.4.2. ALLOCATION POLICY UNDER THE INSTITUTIONAL OFFER

The allocation of Shares among Applicants in the Institutional Offer was determined by the Joint Lead Managers and Underwriters, in consultation with the Company. The Company and the Joint Lead Managers and Underwriters had absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had bid.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers and Underwriters.

The allocation policy was influenced, but not constrained, by a number of factors including:

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

7.5. UNDERWRITING ARRANGEMENTS

The Offer is fully underwritten pursuant to the Underwriting Agreement under which the Joint Lead Managers and Underwriters have been appointed to arrange, manage and act as Joint Lead Managers, bookrunner and Underwriters of the Offer. The Joint Lead Managers and Underwriters agree, subject to certain conditions and termination events, to underwrite Applications for all Shares under the Offer. The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Joint Lead Managers and Underwriters may terminate the Underwriting Agreement and their underwriting obligations.

The terms of the Underwriting Agreement are summarised more fully in Section 10.

7.6. FOREIGN SELLING RESTRICTIONS

The Company has not taken any action to register or qualify the Prospectus or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia or New Zealand.

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

By making an Application, you warrant and represent that:

- you are an Australian or New Zealand citizen or resident, are located in Australia or New Zealand at the time of the Application and are not acting for the account or benefit of any person in the United States or any other foreign person; and
- you will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the US Securities Act, and in compliance with all applicable laws in the jurisdiction.

7.7. DISCRETION UNDER THE OFFER

The Company reserves the right not to proceed with the Offer at any time before the Offer Shares Allotment Date. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Joint Lead Managers and Underwriters or Brokers until these are received by the Company.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Offer Shares specified in the Application or any of them without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

The Company also reserves the right to close the Offer early, extend the Offer Closing Date or accept late Applications, either generally or in particular cases, in each case without notifying any recipient of this Prospectus or any Applicant.

7.8. ASX

The Company has applied to ASX for customary Listing Rule confirmations.

7.9. ASX LISTING, REGISTERS AND HOLDING STATEMENTS AND DEFERRED SETTLEMENT

7.9.1. APPLICATION TO ASX FOR LISTING AND QUOTATION OF SHARES

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for its Shares to be granted official quotation by ASX. The Company is not currently seeking a listing of its Shares on any financial market other than ASX.

The fact that ASX may admit the Company to the Official List and grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Offer Shares offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Shares to be quoted within three months after the date of this Prospectus, the Shares will not be issued and all Application Monies will be refunded (without interest) as soon as practicable.

7.9.2. CHESS AND ISSUER SPONSORED HOLDINGS

The Company applied to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's HIN for CHESS holders or, where applicable, the SRN of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.9.3. TRADING AND SELLING OF SHARES ON THE MARKET

Subject to the Company's admission to the Official List, the allotment or transfer of the Shares offered by this Prospectus will take place as soon as possible following the closing date.

7 DETAILS OF THE OFFER

If the Directors believe the Application does not comply with applicable laws or regulations, they reserve the right to allot the Shares in full for any Application or to allot any lesser number or to reject any Application.

The Offer Shares Allotment Date is expected to be 15 November 2017.

Trading of the Offer Shares on ASX is expected to commence on 22 November 2017 on a normal T + 2 settlement basis.

If you sell your Offer Shares before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST.

7.10. ACKNOWLEDGEMENTS

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the Company's Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus) or no Shares at all;
- authorised the Company, the Lead Managers and Underwriters and their respective officers or agents, to do anything on behalf of the Applicant (s) necessary for Offer Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;

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

Each Applicant, will be taken to have represented, warranted and agreed as follows:

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

8 INDEPENDENT LIMITED ASSURANCE REPORTS



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Level 10, 12 Creek St
Brisbane QLD 4000
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Australia

The Directors
People Infrastructure Ltd
69 - 75 Sandgate Road
ALBION QLD 4010

16 October 2017

Dear Directors,

INDEPENDENT LIMITED ASSURANCE ENGAGEMENT ON FORECAST FINANCIAL INFORMATION

BDO Corporate Finance (QLD) Ltd ('BDO Corporate Finance') has been engaged by People Infrastructure Ltd ('People Infrastructure') to report on the statutory forecast financial information and pro forma forecast financial information ('the Forecast Financial Information') for inclusion in the Prospectus dated on or about 20 October 2017 and relating to the issue of 25,000,000 shares in People Infrastructure ('the Prospectus').

Expressions and terms defined in the Prospectus have the same meaning in this report ('this Report').

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. BDO Corporate Finance holds the appropriate Australian Financial Services Licence under the Corporations Act 2001.

BDO applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We also comply with ASA 102 *Compliance with Ethical Requirements When Performing Audits, Reviews and Other Assurance Engagement*.

Our limited assurance engagement has been carried out in accordance with auditing or other standards and practices generally accepted within Australia. Our report cannot be assumed to have been compiled with practices or standards applicable in other jurisdictions.

This Report, including the Financial Services Guide which follows, must be read in full.

Scope

You have requested that BDO Corporate Finance review the following Forecast Financial Information of People Infrastructure (being the party responsible for the Forecast Financial Information) included in Section 4 of the Prospectus:

- The statutory forecast consolidated statement of profit or loss and other comprehensive income for the year ending 30 June 2018; and
- The pro forma forecast consolidated statement of profit or loss and other comprehensive income for the year ending 30 June 2018.

The Forecast Financial Information has been prepared in accordance with the stated basis of preparation ('the Stated Basis of Preparation'), being:

- The recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies set out in Section 4.15 of the Prospectus;

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725 AFS Licence No. 245513 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (QLD) Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

8 INDEPENDENT LIMITED ASSURANCE REPORTS



- The directors' best-estimate assumptions underlying the Forecast Financial Information, described in Section 4.12 of the Prospectus; and
- In the case of the pro forma forecast financial information, the statutory forecast financial information, after adjusting for the effects of the pro forma adjustments described in Sections 4.2.8, 4.4 and 4.10 of the Prospectus.

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

As the unadjusted financial information on which the pro forma forecast financial information is based (i.e. the statutory forecast financial information) is forward looking, an audit of the unadjusted financial information was not performed. Due to its nature, the pro forma forecast financial information does not represent People Infrastructure's prospective financial performance for the 12 month period ending 30 June 2018 and care should be taken when considering and interpreting the pro forma forecast financial information as this information does not forecast financial results which are actually expected to occur in the form presented.

Statutory Forecast and Pro Forma Forecast

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 People Infrastructure for the year ending 30 June 2018.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of People Infrastructure.

Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based, however, such evidence is generally future-oriented and therefore speculative in nature. We are not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in People Infrastructure as detailed in the Prospectus and also be aware of the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks as described in Section 5 of the Prospectus.

The sensitivity analysis described in Section 4.13 of the Prospectus assists to demonstrate the impact of changes in selected key best-estimate assumptions on the Forecast Financial Information. The Forecast Financial Information is only indicative of the financial performance which may be achievable.

We express no opinion as to whether the Forecast Financial Information will be achieved.



The Forecast Financial Information has been prepared by the directors for the purpose of being included in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of People Infrastructure, that all material information concerning the prospects and proposed operations of People Infrastructure 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.

Directors' Responsibility

The directors of People Infrastructure are responsible for the:

- Preparation and presentation of the Forecast Financial Information;
- The Stated Basis of Preparation and criteria applied to the Forecast Financial Information;
- The time periods covered by the Forecast Financial Information;
- Best-estimate assumptions underlying the Forecast Financial Information;
- Selection and determination of pro forma adjustments made to the Forecast Financial Information; and
- Any other information in the Prospectus.

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

Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Forecast Financial Information (including the best-estimate assumptions underlying the forecast and pro forma forecast, and the reasonableness of the forecast and pro forma forecast themselves), based on the procedures performed, and the evidence we have obtained, has not been properly compiled in all material respects by People Infrastructure, in accordance with the Stated Basis of Preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, issued by the Auditing and Assurance Standards Board.

The procedures selected depend on our professional judgement, having regard to our understanding of the nature of People Infrastructure, the event(s) or transaction(s) in respect of which the Forecast Financial Information has been compiled, the limited assurance to be expressed on the compilation of the Forecast Financial Information and other relevant engagement circumstances.

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

Our 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 Forecast Financial Information.

8 INDEPENDENT LIMITED ASSURANCE REPORTS



Conclusions

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention which causes us to believe that:

- The directors' best-estimate assumptions used in the preparation of the Forecast Financial Information of People Infrastructure for the year ended 30 June 2018 do not provide reasonable grounds for the Forecast Financial Information; and
- In all material respects, the Forecast Financial Information:
 - is not prepared on the basis of the directors' best-estimate assumptions as described in Section 4.12 of the Prospectus; and
 - is not presented fairly in accordance with the Stated Basis of Preparation, as described in Section 4.2 of the Prospectus; and
- The Forecast Financial Information itself is unreasonable.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the Forecast Financial Information, being for inclusion in the Prospectus. As a result, the Forecast Financial Information may not be suitable for use for another purpose. We disclaim any liability for use of this Report, or reliance on the Forecast Financial Information by any other persons or for any other purpose than that set out in Section 4.1 of the Prospectus.

We have consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included. However, BDO Corporate Finance has not authorised the issue of the Prospectus. BDO Corporate Finance makes no representation regarding, or responsibility for, any other statements, material in (or omissions from) the Prospectus.

Declaration of Interest

BDO Corporate Finance does not have any interest in the outcome of this offer other than the preparation of this Report and participation in the due diligence committee as an observer for which normal professional fees will be received.

Financial Services Guide and General Advice Warning

Our Financial Services Guide follows this report and must be read in full with this Report. This guide is designed to assist retail clients in their use of any general financial product advice in this Report.

As set out in the financial services guide, this Report provides general information only. It does not take into account the objectives, financial situation or needs of any specific investor. Investors should seek professional advice and the information in this Report cannot be used to make specific investment decisions. Before acting on any information, investors should consider the appropriateness of the information for their own circumstances having regard to matters such as their objectives, financial situation and needs.

If you require any additional information and/or clarification on any matter please contact us.

BDO Corporate Finance (QLD) Pty Ltd

Steven Sorbello
Director

Scott Birkett
Director



Financial Services Guide

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 ('the Corporations Act') and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ('BDO Corporate Finance' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDO Corporate Finance holds an Australian Financial Services Licence to provide the following services:

- (a) financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investments schemes, superannuation, and government debentures, stocks and bonds; and
- (b) arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently any person using this Report must consider their own objectives, financial situation and needs. Any person using this Report should consider obtaining professional advice to assist in this assessment.

The Assignment

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 has been engaged by People Infrastructure Ltd ('People Infrastructure') to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDO Corporate Finance has been engaged to provide an Independent Limited Assurance Report ('IAR') in connection with the forecast financial information for the proposed initial public offering of shares in People Infrastructure on the Australian Securities Exchange ('the Proposed Transaction') for inclusion in the Prospectus.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$120,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

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

Directors of BDO Corporate Finance may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDO Corporate Finance. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDO Corporate Finance) are entitled to receive a salary. Where a director of BDO Corporate Finance is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

8 INDEPENDENT LIMITED ASSURANCE REPORTS



Associations and relationships

From time to time BDO Corporate Finance or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services.

BDO entities have provided, and continue to provide, a range of audit, tax and advisory services to People Infrastructure for which professional fees are received. The services provided were performed as an independent and objective party.

BDO Corporate Finance is not an associate of People Infrastructure. The signatories to the Report do not hold any shares in People Infrastructure and no such shares have ever been held by the signatories.

Complaints

We are members of the Financial Ombudsman Service. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1300 780 808. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with the Chartered Accountants Australia and New Zealand, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investments Commission (ASIC) also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.

Contact Details

BDO Corporate Finance (QLD) Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725 AFS Licence No. 245513 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (QLD) Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



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GPO Box 457 Brisbane QLD 4001
Australia

The Directors
People Infrastructure Ltd
69 - 75 Sandgate Road
ALBION QLD 4010

16 October 2017

Dear Directors,

INDEPENDENT LIMITED ASSURANCE ENGAGEMENT ON HISTORICAL FINANCIAL INFORMATION

BDO Audit Pty Ltd ('BDO Audit') has been engaged by People Infrastructure Ltd ('People Infrastructure') to report on the statutory historical financial information and pro forma historical financial information ('the Historical Financial Information') for inclusion in the Prospectus dated on or about 20 October 2017 and relating to the issue of 25,000,000 shares in People Infrastructure ('the Prospectus').

Expressions and terms defined in the Prospectus have the same meaning in this report ('this Report').

Scope

Historical financial information

You have requested BDO Audit to review the following statutory historical financial information of People Infrastructure (being the party responsible for the Historical Financial Information) included in Section 4 of the Prospectus:

- Statutory historical consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017;
- Statutory historical consolidated statement of cash flows for the year ended 30 June 2017; and
- Statutory historical consolidated statement of financial position as at 30 June 2017;

hereafter collectively referred to as the 'Statutory Historical Financial Information'.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and People Infrastructure's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the consolidated financial report of People Infrastructure for the year ended 30 June 2017, which was audited by BDO Audit in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit.

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

Pro Forma Historical Financial Information

You have requested BDO Audit to review the following pro forma historical financial information of People Infrastructure (being the party responsible for the Historical Financial Information) included in Section 4 of the Prospectus:

- Pro forma historical consolidated statements of profit or loss and other comprehensive income for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

8 INDEPENDENT LIMITED ASSURANCE REPORTS



- The directors' best-estimate assumptions underlying the Forecast Financial Information, described in Section 4.12 of the Prospectus; and
- In the case of the pro forma forecast financial information, the statutory forecast financial information, after adjusting for the effects of the pro forma adjustments described in Sections 4.2.8, 4.4 and 4.10 of the Prospectus.

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

As the unadjusted financial information on which the pro forma forecast financial information is based (i.e. the statutory forecast financial information) is forward looking, an audit of the unadjusted financial information was not performed. Due to its nature, the pro forma forecast financial information does not represent People Infrastructure's prospective financial performance for the 12 month period ending 30 June 2018 and care should be taken when considering and interpreting the pro forma forecast financial information as this information does not forecast financial results which are actually expected to occur in the form presented.

Statutory Forecast and Pro Forma Forecast

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 People Infrastructure for the year ending 30 June 2018.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of People Infrastructure.

Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based, however, such evidence is generally future-oriented and therefore speculative in nature. We are not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in People Infrastructure as detailed in the Prospectus and also be aware of the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks as described in Section 5 of the Prospectus.

The sensitivity analysis described in Section 4.13 of the Prospectus assists to demonstrate the impact of changes in selected key best-estimate assumptions on the Forecast Financial Information. The Forecast Financial Information is only indicative of the financial performance which may be achievable.

We express no opinion as to whether the Forecast Financial Information will be achieved.

- Pro forma summarised historical consolidated cash flows from operating activities information for years ended 30 June 2015, 30 June 2016 and 30 June 2017; and
- Pro forma historical consolidated statement of financial position as at 30 June 2017;

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Restriction 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, the financial information may not be suitable for use for another purpose.

Consent

BDO Audit 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 BDO Audit is limited to the inclusion of this report in the Prospectus. BDO Audit makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

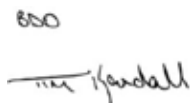
The report has been prepared, and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make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

Declaration of Interest

BDO Audit does not have any interest in the outcome of proposed listing, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO Audit will receive normal professional fees for the preparation of this report.

BDO Audit are auditors of People Infrastructure and from time to time BDO Audit also provides People Infrastructure with certain other professional services for which normal professional fees are received.

BDO Audit Pty Ltd



T J Kendall
Director

9 TAXATION



9.1. SUMMARY OF AUSTRALIAN TAXATION IMPLICATIONS

The following summary in Sections 9.1 to 9.5 provides an overview of the Australian tax implications of the Offer for investors who are residents of Australia or New Zealand for tax purposes and who hold their Shares as capital assets. This summary is based on the law in effect as at the date of this Prospectus, is general in nature and should not be relied on by potential investors as tax advice. Potential investors should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

This Section does not consider the Australian tax consequences for particular types of investors, including those:

- whose Shares are held as trading stock or otherwise on revenue account; or
- that may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organizations, trusts (except where expressly stated), superannuation funds (except where expressly stated), or temporary residents; or
- who are a tax resident of any jurisdiction other than Australia (except where expressly stated); or
- who are subject to the Australian Taxation of Financial Arrangement rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

9.2. AUSTRALIAN INCOME TAX IMPLICATIONS OF FUTURE SHARE DISPOSALS

9.2.1. AUSTRALIAN RESIDENT SHAREHOLDERS

Australian resident shareholders who dispose of Shares held on capital account will trigger a Capital Gains Tax (CGT) event. Australian resident shareholders will:

- make a capital gain if the capital proceeds received on the disposal of their Shares are greater than the cost base of those Shares; or
- make a capital loss if the capital proceeds received on the disposal of their Shares are less than the reduced cost base of those Shares.

The capital proceeds received on disposal of Shares should generally be equal to the money received in respect of the disposal. The cost base of Shares subscribed for under the Offer should generally be equal to the Issue Price plus any incidental costs (i.e. brokerage). The reduced cost base should be the same as the cost base, subject to some modifications.

Any capital gain on disposal of the Shares in the Company may qualify as a discount capital gain for certain Australian Resident Shareholders that are individuals, trusts or complying superannuation funds that have held their Shares for more than 12 months. Where the CGT discount applies, the amount of the capital gain may be discounted by 50% for individuals and trusts and 33 1/3% for complying superannuation funds and life insurance companies in respect of certain investments.

Prior to applying the CGT discount Shareholders may offset their capital gain against any available capital losses incurred in the relevant income year or any carry forward net capital losses. The net capital gain (after applying any losses and the CGT discount) should be included in their assessable income in the relevant income year.

To the extent Shareholders incur a capital loss on disposal of the Shares in the Company, Shareholders may offset their capital loss against any capital gains derived in the relevant income year. Where the capital losses incurred in the relevant income year exceed the capital gains derived in the relevant income year, Shareholders may be entitled to carry forward the excess (referred to as a 'net capital loss') to future income years subject to the application of the loss recoupment rules in certain cases. Shareholders cannot offset their net capital losses against their ordinary income.

9.2.2. NON-RESIDENT SHAREHOLDERS

Non-Australian resident Shareholders who hold Shares on capital account will not be subject to Australian CGT on the disposal of Shares unless:

- the non-resident, together with associates, has a holding of at least 10 per cent. of all the issued Shares of the Company (portfolio interest); and
- at the time of disposal, more than 50 per cent. of the market value of the assets of the Company is represented (directly or indirectly) by real property interests in Australia (including leases of land) or certain mining, quarrying and prospecting rights in Australia.

Non-Australian resident and temporary resident Shareholders are not entitled to discount capital gains in respect of the disposal of Ordinary Shares that were acquired by the Shareholder after 8 May 2012.

Relevant double taxation agreements may affect the Australian capital gains tax rules for non-resident Shareholders on the disposal of Shares.

Non-resident Shareholders who have a non-portfolio interest together with their associates in the circumstances described above should seek specific Australian tax advice. Non-resident Shareholders that have previously been Australian residents should also seek specific Australian tax advice.

9.3. AUSTRALIAN INCOME TAX IMPLICATIONS OF PAYMENT OF DIVIDENDS

9.3.1. AUSTRALIAN RESIDENT SHAREHOLDERS

Dividends will be required to be included in an Australian resident Shareholder's assessable income in the income year in which the dividend is received. To the extent that franking credits are attached to the dividend, Australian resident Shareholders should also include the franking credits in their assessable income. Where Shareholders include franking credits in their assessable income, Shareholders should be entitled to a corresponding tax offset against their tax payable for the relevant income year.

In order for Shareholders to qualify for franking credits and the corresponding tax offset, Shareholders must satisfy the 'holding period' rules which require Shareholders to hold their Shares 'at risk' for a period of not less than 45 days, not counting the day of acquisition or disposal. The 'holding period' rules do not apply to Shareholders who are individuals who are entitled to tax offsets (for all franked distributions received by the particular Shareholder in the relevant income year) of not greater than \$5,000 for the relevant income year.

Where the holding period rule is satisfied:

- Shareholders that are individuals or complying superannuation funds should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Where these Shareholders have franking credits in excess of their income tax liability they may be entitled to a refund equal to the excess.
- Shareholders that are companies should be entitled to a tax offset equal to the amount of the franking credits attached to a dividend. Accordingly, these Shareholders should not pay any additional tax on the dividend to the extent that it is franked. Any excess tax offset may be able to be converted to a carry forward tax loss. A credit should arise in the franking account of these Shareholders equal to the amount of the franking credits attached to the dividend.

Where Shares are held by Australian resident trusts or partnerships, and the dividend is passed through to Australian resident beneficiaries or partners, the benefit of the franking credit attached to the dividend may also pass through to those Australian resident beneficiaries or partners. The income tax treatment of the dividends including any franking credits in the hands of those beneficiaries or partners should depend upon the tax status of the beneficiaries or partners.

9.3.2. NON-RESIDENT SHAREHOLDERS

Subject to the operation of a double taxation agreement, unfranked dividends paid by the Company to non-resident Shareholders will generally be subject to withholding tax at the rate of 30 per cent. A lower rate of withholding tax within a range of 0 per cent. to 20 per cent. will generally apply where the Shareholder is a resident of a country with which Australia has a double taxation agreement.

Franked dividends paid to non-resident Shareholders will generally not be subject to withholding tax.

9 TAXATION

9.4. AUSTRALIAN INCOME TAX IMPLICATIONS OF RETURNS OF CAPITAL

If a return of capital is made by the Company, the cost base and reduced cost base of a Shareholder's Shares for CGT purposes should be reduced by the amount of the return of capital, with any excess over the cost base resulting in a capital gain.

9.5. OTHER AUSTRALIAN TAX IMPLICATIONS

9.5.1. GOODS AND SERVICES TAX

No GST is payable in respect of the acquisition of Shares nor should there be any GST liability arising from the receipt of dividends in respect of the Shares. An Australian resident that is registered or required to be registered for GST seeking to claim input tax credits on related transaction costs should seek their own independent tax advice in this regard.

9.5.2. STAMP DUTY

No Australian stamp duty should be payable in respect of the subscription for the Offer Shares under this Prospectus.

This is on the basis the Company and its subsidiaries do not amount to landholders for the purposes of any Australian duties legislation. An independent valuation is being sought to confirm the Company and its subsidiaries do not amount to landholders in each relevant State and Territory.

9.5.3. TAX FILE NUMBER (TFN) WITHHOLDING TAX

Shareholders are not required to quote their TFN to the Company. If Shareholders do not quote their TFN or other relevant exemption details, tax may be required to be withheld by the Company from certain distributions at the top marginal rate plus the Medicare levy.

10 MATERIAL AGREEMENTS



The material agreements described below are those which the Directors consider that 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 contains a summary of the material agreements and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

10.1. UNDERWRITING AGREEMENT

The Joint Lead Managers and Underwriters have agreed to manage the Offer pursuant to the terms of the underwriting agreement (Underwriting Agreement) signed by each Joint Lead Manager and Underwriter and the Company on the date of this Prospectus.

10.1.1. FEES, COSTS AND EXPENSES

The Company has agreed to pay a fee to the Joint Lead Managers and Underwriters equal to 4.5% of the gross proceeds of the Offer (exclusive of GST) in connection with their role as Joint Lead Managers and Underwriters (**Underwriting Fee**).

The Underwriting Fee will be payable on the Offer Settlement Date with 50% of the Underwriting Fee payable to Morgans Corporate Limited and the remaining 50% payable to Ord Minnett Limited.

The Company has agreed to reimburse the Joint Lead Managers and Underwriters for all reasonable out-of-pocket expenses incurred in connection with the Offer including legal fees up to a limit of \$25,000, marketing and communication costs, printing, couriers, postage and other distribution costs and travel and accommodation expenses provided that any individual expense over \$2,000 (excluding GST) has been approved by the Company prior to the expense being incurred (other than in respect of legal expenses).

10.1.2. INDEMNITY

The Company has agreed to indemnify the Joint Lead Managers and Underwriters and its related bodies corporate and affiliates, and each of their officers, employees, agents and advisers (Indemnified Parties) against all losses, claims, damages, costs, charges and expenses arising out of (amongst other things):

- (a) making the Offer under this Prospectus;
- (b) any liability under the Corporations Act or other applicable laws in relation to the Offer; or
- (c) the Company failing to comply with the terms of the Underwriting Agreement,

except to the extent that the loss or claim results directly or indirectly from the fraud, wilful misconduct, gross negligence of, negligent misrepresentation, or material breach of the Underwriting Agreement or breach of law by, an Indemnified Party, or which results from any penalty or fine which an Indemnified Party is required to pay for any contravention by it of the Corporations Act or any other applicable law.

10.1.3. WARRANTIES

The Underwriting Agreement contains certain representations, warranties and undertakings provided by the Company to the Joint Lead Managers and Underwriters relating to matters such as its powers, its conduct (including in respect of disclosure and compliance with applicable laws and the ASX Listing Rules), information provided and the conduct of the Offer.

The Company's undertakings include that it will not, during the period following the date of the Underwriting Agreement until 120 days after the allotment of Offer Shares under the Offer, allot or agree to allot any equity securities or securities that are convertible into equity, or that represent the right to receive equity without the consent of the Joint Lead Managers and Underwriters, other than pursuant to the Offer, or under any employee share plan or other proposed offer that has been disclosed in the Prospectus.

10 MATERIAL AGREEMENTS

10.1.4. TERMINATION EVENTS

The Underwriting Agreement is subject to customary termination events. The Joint Lead Managers and Underwriters may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement at any time prior to the Settlement Date without cost or liability and be released from their obligations under it on the occurrence of certain events set out in the Underwriting Agreement, including (but not limited to those set out below).

- The Prospectus does not comply with the Corporations Act (including if a statement in the Prospectus is or becomes misleading or deceptive, or a matter required to be included is omitted from the Prospectus), the Listing Rules, or any other applicable law or regulation and cannot be adequately corrected or rectified through the issue of a supplementary prospectus.
- The Company issues a supplementary or replacement prospectus to comply with section 719 of the Corporations Act in a form that has not been approved by the Joint Lead Managers and Underwriters, or otherwise fails to comply with the obligations in the Underwriting Agreement relating to supplementary or replacement prospectuses.
- The S&P/ASX 200 Index at any time during the period after the Prospectus is lodged and prior to the Offer Settlement Date falls to a level that is 10% below the level of the index at the close of trading on the trading day immediately prior to the date of the Prospectus and remains at that level for a period of at least two consecutive business days.
- ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the Official List on or before the date prior to the Listing; or
 - the quotation of the Offer Shares on ASX or for the Offer Shares to be cleared through the clearing house subregister system on or before the quotation date; or
 - if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld.
- Any of the following notifications are made in respect of the Offer:
 - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities & Investments Commission Act 2001* (Cth) in relation to the Offer or an offer document;
 - any person (other than the Joint Lead Manager and Underwriter seeking to terminate) who has previously consented to the inclusion of its name in any offer document withdraws that consent; or
 - any person gives a notice under section 730 in relation to the offer documents.
- The Company withdraws the Prospectus or the Offer.
- The Company or any other member of the Group is or becomes insolvent or there is an act or omission which may result in the Company or any other member of the Group becoming insolvent.
- A new circumstance arises in relation to the Company or the Group after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement.
- There is a 'Material Adverse Effect' (as defined in the Underwriting Agreement) when compared to the position disclosed in the Prospectus, offer documents or the 'Public Information' (as defined in the Underwriting Agreement).
- Any event specified in the timetable for the Offer is delayed for more than 3 Business Days without the prior written consent of the Joint Lead Managers and Underwriters (which must not be unreasonably withheld or delayed).

Neither of the Joint Lead Managers and Underwriters has authorised or caused the issue of this Prospectus and they do not take any responsibility for this Prospectus or any action taken by you on the basis of the information in this Prospectus.

It is important to note that the Joint Lead Managers and Underwriters will be acting for and providing services to the Company in this process and will not be acting for or providing services to Shareholders or any other investor. The engagement of the Joint Lead Managers and Underwriters is not intended to create any agency, fiduciary or other relationship between the Joint Lead Managers and Underwriters and the Shareholders or any other investor.

10.2. FINANCING FACILITIES

10.2.1. DESCRIPTION OF FINANCING FACILITIES

TABLE 10.1: FINANCING FACILITIES

The key financing facilities of People Infrastructure are set out below (**Financing Facilities**):

Funder	Facility Name	Facility limit as at 30 June 2017	Drawn Amount as at 30 June 2017	Maturity
St George Bank	Bill Acceptance / Discount Facility	\$19.56 million	\$19.56 million	April 2020
St George Bank	Corporate MasterCard	\$0.125 million	\$0.0 million	April 2020
St George Bank	Working Capital Facility	\$14.0 million	\$6.76 million	Annual Review
St George Bank	Term Debt	\$3.195 million	\$3.195 million	October 2021
St George Bank	Invoice Discounting Facility	\$2.0 million	\$0.0 million	Annual Review

10.2.2. PURPOSE

The Financing Facilities were made available to the Group for the following purposes:

- (a) funding to assist with the acquisition of AWX;
- (b) funding to assist with ongoing working capital requirements; and
- (c) funding to assist with the acquisition of Edmen.

10.2.3. FINANCIAL COVENANTS UNDER THE FINANCING FACILITIES

TABLE 10.2: FINANCIAL COVENANTS

Facility Name	Covenants	Covenant Limits
Bill Acceptance/Discount Facility, Working Capital Facility, Term Debt and Invoice Discounting Facility	Interest Cover Ratio	$\geq 3.0:1$
	Financial Debt/EBITDA Ratio	$< 3.5:1$ ($< 3.0:1$ from 30 June 2018)

Key financial covenants for the loans provided by St George Bank include:

- Interest cover ratio — meaning EBIT divided by gross interest expense. Gross interest expense includes any outgoings in the nature of interest including discount, establishment and acceptance fees, finance lease and hire purchase charges and capitalised interest;
- Financial Debt/EBITDA ratio — meaning total financial liabilities (including asset purchase/leasing) less cash divided by EBITDA;

The payment of dividends by People Infrastructure is subject to meeting the financial covenants.

People Infrastructure is currently in compliance with its financial covenants and expects to remain in compliance with them. Failure to meet the relevant financial covenants may lead to an event of default under the banking facilities. In the event of a default there may be a requirement to make repayments in advance of the relevant maturity dates of any given facility. An event of default and the requirement to make early repayments may impact the financial performance and position of People Infrastructure and its ability to operate in the ordinary course of business.

10.2.4. REPRESENTATIONS AND WARRANTIES UNDER THE FINANCING FACILITIES

The Financing Facilities contain representations and warranties usual for facilities of this nature, the breach of which may lead to funds borrowed becoming due on an accelerated basis and the Financing Facilities being cancelled.

10 MATERIAL AGREEMENTS

10.2.5. SECURITY

The Financing Facilities are secured finance facilities, under which the Group has granted various security interest over its present and after-acquired property.

10.2.6. EVENTS OF DEFAULT

The Financing Facilities prescribe events of default which are usual for facilities of this nature, including failure to pay, insolvency, the provision of misleading information, failure to protect secured property and material adverse effect. The occurrence of an event of default, if not cured in a timely fashion, could lead to the funds borrowed becoming due on an accelerated basis and the Financing Facilities being cancelled.

10.3. ACQUISITION OF AWX

10.3.1. TRANSACTION SUMMARY

People Infrastructure acquired AWX on or around 18 October 2016.

People Infrastructure acquired 100% of the shares in AWX from the relevant vendors in consideration for a cash payment at completion and an earn out amount which has been accounted for in Section 4 of this Prospectus.

The terms and conditions of the acquisition agreement were customary for transactions of this nature and warranties were provided to People Infrastructure by the relevant warrantors in respect of the vendors' title and capacity as well as certain warranties in respect of the AWX business on a joint and several basis.

A 24-month warranty limitation period (ending on 18 October 2018) applies for all claims (other than tax warranty claims or title and capacity warranty claims which are subject to more extensive limitation periods as is customary).

10.4. ACQUISITION OF THE EDMEN GROUP

People Infrastructure acquired 100% of the shares in Edmen on or around 4 April 2017.

The terms and conditions of the acquisition agreement were customary for transactions of this nature and warranties were provided by the relevant warrantors in respect of the vendors' title and capacity as well as certain warranties in respect of the Edmen business on a joint and several basis.

An 18-month warranty limitation period (ending on 4 October 2018) applies for all claims (other than tax warranty claims which are subject to more extensive limitation periods as is customary).

10.5. CONVERTIBLE NOTES

As at the date of this Prospectus, the Company has on issue 1,102 Convertible Notes with a total face value of \$11,020,000.

Under the terms of issue, the Company was required, and has now issued, a notice to Noteholders prior to undertaking an initial public offering. Upon receipt of this notice, Noteholders were deemed to have elected to convert their Convertible Notes into Shares (**Conversion Shares**), with the conversion expected to take effect on the Offer Shares Allotment Date.

It is expected that there will be no Convertible Notes on issue after Completion of the Offer.

The Conversion Shares issued to Noteholders will be subject to voluntary escrow arrangements described in Sections 10.8 and 11.7.

The table below sets out the number of Shares expected to be issued to Noteholders in the Convertible Note Conversion:

TABLE 10.3: CONVERTIBLE NOTE CONVERSION

Noteholder	Notes on issue at the date of this Prospectus	Number of Conversion Shares issued	% of Conversion Shares held	Number of Shares held at Completion of the Offer ¹	% of Shares held at Completion of the Offer
Nambawan Investments ²	50	823,136	5.24%	3,254,735	5.08%
Investco	0	0	0%	7,951,331	12.41%
Other Founder Shareholders	80	1,063,015	6.77%	14,023,441	21.89%
Other Noteholders	972	13,814,693	87.98%	13,814,672	21.57%
TOTAL	1,102	15,700,844	100%	64,044,200	100%

¹ following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.

² A shareholding entity controlled by CEO AWX Group, Tom Reardon.

The capital structure of the Company at Completion of the Offer is shown in the table in Section 11.4 on the basis that the Convertible Note Conversion has taken place on the Offer Shares Allotment Date.

11 ADDITIONAL INFORMATION



10.6. NED OPTIONS

As stated elsewhere in this Prospectus, the Company has agreed to issue:

- (a) 100,000 NED Options to Director, Elizabeth Savage; and
- (b) 200,000 NED Options to Director, Glen Richards.

The issue of the NED Options is conditional on Listing occurring.

The exercise price of the NED Options is the Issue Price and they are exercisable by the relevant holder on and from the date that is 12 months after the Listing date until the earlier of:

- (a) the date that is 36 calendar months after the Listing Date; and
- (b) the date that the holder ceases to be a Director.

The exercise of the NED Options is not subject to any vesting conditions.

The NED Options will not be subject to any voluntary escrow agreements.

10.7. REARDON OPTIONS

The Company issued 680,000 Reardon Options to Director, Tom Reardon prior to the date of this Prospectus. The Reardon Options were issued in two equal tranches and are exercisable once the following vesting conditions have been met:

- (a) for tranche one, achieving the Pro Forma EBITDA Forecast figures set out in Section 4 of this Prospectus;
- (b) for tranche two, achieving at least 15% underlying earnings per share growth in FY19 from the underlying earnings per share figure in FY18; and
- (c) for each tranche, it is a vesting condition that Tom remain employed by the Company at the time of vesting.

Once the vesting conditions have been satisfied, the options may be exercised at an exercise price equal to \$1.00 per Share in the following manner:

- (a) for tranche one, 50% on 14 October 2020, with the remainder exercisable on 14 October 2021; and
- (b) for tranche two, 50% on 14 October 2020, with the remainder on 14 October 2021.

10.8. VOLUNTARY ESCROW ARRANGEMENTS

The Existing Shareholders have entered into voluntary restriction agreements, which restrict them from selling, creating a security interest in or otherwise dealing in any of the Shares on issue prior to Completion of the Offer, including the Conversion Shares, being 39,044,200 Shares (representing 60.94% of the total issued Shares following Completion of the Offer) for a period commencing on the date of Listing and:

- (a) ending on the business day after the release of the Company's results for the half year ending 31 December 2017 in respect of 4,115,684 Shares (approximately 6.43% of the total Shares on issue on Completion of the Offer);
- (b) ending six months from the date of Listing in respect of 9,699,009 Shares (approximately 15.14% of the total Shares on issue on Completion of the Offer);
- (c) ending the business day after the release of the Company's annual results for the financial year ending 30 June 2018 in respect of 19,626,474 Shares (approximately 30.65% of the total Shares on issue on Completion of the Offer); and
- (d) ending the business day after the release of the Company's annual results for the financial year ending 30 June 2019 (or 30 September 2019, if the results have not been released by that date) in respect of 5,603,033 Shares (approximately 8.75% of the total Shares on issue on Completion of the Offer).

The escrow arrangements do not restrict the Existing Shareholders from accepting a successful takeover bid (being a takeover bid that is accepted by at least half of the non-escrowed Shareholders), transferring Shares under a scheme of arrangement or entering into a pre-bid acceptance agreement with a potential bidder for all the Shares.

11.1. REGISTRATION

The Company was registered in Queensland on 5 October 2016 and was converted from a proprietary company into a public company limited by shares on 25 August 2017.

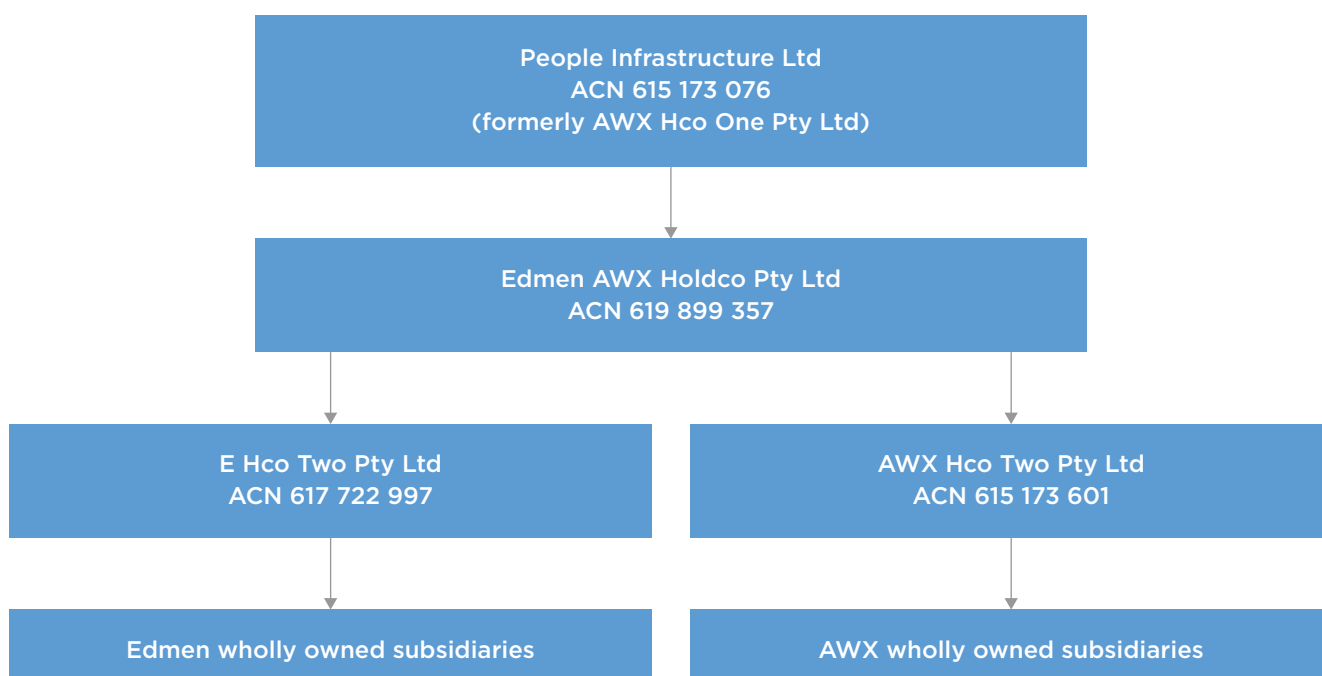
11.2. BALANCE DATE AND TAX STATUS

The accounts for People Infrastructure will be made up to 30 June annually. People Infrastructure is and will be subject to tax as an income tax consolidated group at the Australian corporate tax rate on its taxable income.

11.3. CORPORATE STRUCTURE

The following diagram shows the entities in the corporate structure of the Group at the date of this Prospectus:

FIGURE 11.1: CORPORATE STRUCTURE



11.4. CAPITAL STRUCTURE

The capital structure of the Company, as at the date of this Prospectus and on Completion of the Offer is set out in the table below.

TABLE 11.1: CAPITAL STRUCTURE

Class of Security	Number as at the date of the Prospectus	Number at Completion of the Offer ¹
Shares	23,343,377	64,044,200
Reardon Options	680,000	680,000
Convertible Notes	1,102	0
NED Options	300,000	300,000
Performance Rights	1,000,000	1,000,000

¹ following Completion of the Offer, the Convertible Note Conversion (on the assumption the conversion takes place on the Offer Shares Allotment Date) and the issue of the NED Options.

11 ADDITIONAL INFORMATION

11.5. RIGHTS ATTACHING TO THE SHARES

Detailed provisions relating to the rights attaching to the Shares are set out in the Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Constitution, free of charge.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below.

Right	Details
Fully paid	On issue, the Shares will be fully paid.
Ranking	On issue, the Shares will rank pari passu with other Shares currently on issue.
Meetings	Each holder of Shares has the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act.
Dividends	Each Share has the right to receive dividends, according to the amount paid up on the Share.
Voting rights	Each holder of Shares has the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none).
Entitlement	Each holder of Shares has the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution.
Transfer / transmission	Subject to the Corporations Act, the ASX Listing Rules and the restrictions detailed in the voluntary escrow agreements of the Existing Shareholders, the Shares are fully transferable.
Variation of rights	The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

11.6. DIRECTORS RELEVANT INTERESTS AND BENEFITS

11.6.1. DIRECTORS RELEVANT INTEREST IN SECURITIES

Directors are not required to hold Shares. The relevant interest of each Director in Shares and other Securities (whether held directly or through entities they control), at the date of this Prospectus is set out in the below table.

FIGURE 11.2: DIRECTORS RELEVANT INTERESTS AT DATE OF PROSPECTUS

Director	Class of Security	Relevant No.	% of Securities on issue in the relevant class as at the date of this Prospectus
Declan Sherman	Shares	7,951,331	34.06%
	Performance Rights	500,000	50%
Tom Reardon	Shares	2,431,599	10.41%
	Convertible Notes	50	4.5%
	Reardon Options	680,000	100%
	Performance Rights	500,000	50%
Glen Richards	NED Options	200,000	66.66%
Elizabeth Savage	NED Options	100,000	33.33%

The proposed relevant interest of each Director in Shares and other Securities (whether held directly or through entities they control), following Completion of the Offer, the Convertible Note Conversion and the issue of the NED Options, is set out in the below table.

TABLE 11.3: DIRECTORS RELEVANT INTERESTS FOLLOWING COMPLETION OF THE OFFER

Director	Shares	Reardon Options	NED Options	Performance Rights	Escrow Securities
Declan Sherman	7,951,331	-	-	500,000 ¹	All Shares
Tom Reardon	3,254,735	680,000	-	500,000	All Shares and Options
Glen Richards	500,000	-	200,000	-	-
Elizabeth Savage	0	-	100,000	-	-
Total	11,706,066	680,000	300,000	1,000,000	-

¹ Directors may be eligible to receive Performance Rights under the 2017 Performance Rights Plan post the Listing Date. Any issue of Performance Rights will require pre-approval under ASX listing Rule 10.14

11.6.2. REMUNERATION

Non-executive Director remuneration

Under the Constitution, the Board may decide the total amount paid to each Director as remuneration for their services as a Director of the Company. However, under the ASX Listing Rules, the total amount paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company's general meeting. This amount has been fixed by the Company at \$400,000 per annum. The Board may in its discretion approve that Directors may receive Shares as part of their remuneration.

The current non-executive Directors' fees are \$100,000 per annum (inclusive of taxes and superannuation) for the Chairman and \$65,000 (inclusive of taxes and superannuation) per annum for the other non-executive Director.

Remuneration for Executive Directors

People Infrastructure has entered into executive employment agreements with Declan Sherman and Tom Reardon.

Declan Sherman — Managing Director and Executive Director

Declan Sherman is employed as the Managing Director and Executive Director of People Infrastructure. For FY18 Declan's total annual fixed remuneration is \$350,000 exclusive of statutory superannuation entitlements. Declan is entitled to standard statutory leave entitlements.

Declan may terminate the employment by giving 12 weeks' notice. People Infrastructure may only terminate Declan's employment by paying a severance payment

equivalent to 6 months' salary. People Infrastructure may also terminate his employment at any time without any period of notice or payment if he engages in any serious misconduct. The employment contract includes a restraint of up to 2 years after termination of the contract, during which Declan is restrained from competing with People Infrastructure. Enforceability of restraints is subject to usual legal requirements.

Tom Reardon — CEO AWX Group and Executive Director

Tom Reardon is employed as the CEO of the AWX Group and Executive Director of the Company. For FY18 Tom's total annual fixed remuneration is \$350,000 exclusive of statutory superannuation entitlements. Tom is entitled to standard statutory leave entitlements.

Tom not People Infrastructure may terminate the employment by giving 12 weeks' notice. People Infrastructure can only terminate the arrangement without notice in the event of serious misconduct. The employment contract includes a restraint of up to 2 years after termination of the contract, during which Tom is restrained from competing with People Infrastructure. Enforceability of restraints is subject to usual legal requirements.

Senior management

People Infrastructure's members of senior management are generally employed under employment agreements which provide for an annual fixed remuneration with discretionary cash bonuses based on performance.

Generally, these employment arrangements are terminable by People Infrastructure on one month's notice.

11 ADDITIONAL INFORMATION

11.6.3. ADDITIONAL DIRECTOR INCENTIVES AND BENEFITS

Other than the 2017 Performance Rights Plan adopted by the Company and summarised in Section 11.8, the NED Options, the Reardon Options and the remuneration already disclosed in this Prospectus there are no additional Director incentives and benefits.

11.6.4. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has entered into deeds of access, insurance and indemnity with each Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

11.7. ESCROW ARRANGEMENTS

At Completion, approximately 60.96% of the Shares on issue will be subject to voluntary escrow arrangements.

TABLE 11.4: ESCROW ARRANGEMENTS

Escrowed Securityholder	Number of Escrowed Shares (on Completion of the Offer)	Escrowed Shares (as a % of Shares on issue on Completion of the Offer)	Number of Escrowed Reardon Options (on Completion of the Offer)	Escrowed Reardon Options (as a % of Reardon Options on issue on Completion of the Offer)
Executive Director Shareholders	11,206,066	17.49%	680,000	100%
Founder Shareholders (other than the Executive Director Shareholders)	14,023,441	21.89%	-	-
6 Month Noteholders	9,699,009	15.14%	-	-
3 Month Noteholders	4,115,684	6.43%	-	-
TOTAL	39,044,200	60.96%	680,000	100%

The Shares and Options held immediately prior to Completion by the Escrowed Securityholders will be subject to voluntary escrow arrangements as follows:

- for the Founder Shareholders other than the Executive Director Shareholders, 100% of their Shares and Options will be escrowed for the period commencing on the date of Listing and ending on the business day after the release, through the ASX platform, of the Company's annual results for the financial year ending 30 June 2018 (**FY18 Results Date**);
- for the Executive Director Shareholders, 100% of their Shares and Options will be escrowed for the period commencing on the date of Listing and ending on the FY18 Results Date and 50% of their Shares and Options will continue to be escrowed for the period commencing on the FY18 Results Date and ending on the business day after the release, through the ASX platform, of the Company's annual results for the financial year ending 30 June 2019 (or 30 September 2019, if the results have not been released by that date);

- (c) for the 6 Month Noteholders, 100% of their Shares will be escrowed for the period commencing on the date of Listing and ending on the date that is 6 months after the date of Listing; and
- (d) for the 3 Month Noteholders, 100% of their Shares will be escrowed for the period commencing on the date of Listing and ending on the business day after the release, through the ASX platform, of the Company's results for the half year ending 31 December 2017, (each a **Restriction Period**).

Each Escrowed Securityholder has entered into an escrow deed in respect of their Escrowed Securities which prevents them from dealing with their Escrowed Securities during the relevant Restriction Period described above.

The restriction on dealing is broadly defined, and includes, among other things, selling, transferring or otherwise disposing of any interest in the Shares, or agreeing to do any of those things, encumbering or granting a security interest over the Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares.

However, the escrow arrangements do not restrict the Existing Shareholders from accepting a successful takeover bid (being a takeover bid that is accepted by at least half of the non-escrowed Shareholders), transferring Shares under a scheme of arrangement or entering into a pre-bid acceptance agreement with a potential bidder for all the Shares.

11.8. 2017 PERFORMANCE RIGHTS PLAN

The Company has established a performance rights plan (**2017 Performance Rights Plan**) to assist in the motivation, retention and reward of executives and employees. The 2017 Performance Rights Plan is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for eligible employees (including any person who is a director or an employee of any related body corporate of the Company) to receive an equity interest in the Company through the right to receive Shares in the Company.

A copy of the 2017 Performance Rights Plan is available at www.peopleinfrastructure.com. Alternatively, you can obtain a hard copy of this document (free of charge) by calling the Offer Information Line on 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia) between 8.30am and 5.30pm AEST during the Offer Period.

As at the date of this Prospectus, the Company has issued Performance Rights over Shares to eligible employees of the Group for nil consideration as summarised in the following table:

TABLE 11.5: PERFORMANCE RIGHTS

Eligible employee	Number of Performance Rights
Declan Sherman ¹	500,000
Tom Reardon ¹	500,000
Number of Performance Rights issued as at the date of the Prospectus	1,000,000
Number of Performance Rights remaining in pool as at the date of this Prospectus	1,500,000

¹ These Performance Rights vest equally over FY18, FY19, FY20 and FY21 (each a **Vesting Period**). 50% of the Performance Rights in any given Vesting Period will vest if CAGR of total shareholder return and earnings per share growth (**Growth Metric**) over the relevant Vesting Period is greater than 10% and a further 50% vest if the Growth Metric, over the relevant Vesting Period is greater than 15%. Additionally, in order to have their Performance Rights vest, the relevant participant must remain employed by People Infrastructure at the time of vesting.

11 ADDITIONAL INFORMATION

The key terms of the 2017 Performance Rights Plan are summarised below and are qualified by reference to the Constitution, the Corporations Act and the ASX Listing Rules:

	Details
Eligible Participants	<p>The Performance Rights may be offered to:</p> <ul style="list-style-type: none">(a) a Director (whether executive or non-executive) of the Group;(b) an employee of the Group; or(c) such other person as the Board, in its discretion determines.
Grants	<p>Performance Rights may be offered or granted to Eligible Participants from time to time, subject to the discretion of the Board.</p>
Entitlement	<p>Subject to the satisfaction of defined Vesting Conditions, each Performance Right entitles the holder to one Share in the capital of the Company.</p>
Vesting Conditions	<p>The Performance Rights will vest in tranches that are applicable to the Eligible Participant's specified role in the Group.</p> <p>Vesting Conditions may include conditions relating to continuous employment or service, the individual performance of the participant and/or the Group's performance, subject always to the Board's discretion.</p> <p>Typically the Vesting Conditions must be satisfied within a pre-determined vesting period.</p> <p>Both the Vesting Conditions and the associated vesting periods are set by the Board in its discretion and may be waived by the Board in its discretion.</p>
Exercise Price	<p>Unless otherwise determined by the Board, no amount/consideration shall be payable by an Eligible Participant for their Performance Rights.</p>
Expiry of Performance Rights	<p>The expiry date of the Performance Rights will be determined by the Board.</p>
Dividends	<p>Eligible Participants are not entitled to dividends on their Performance Rights.</p>
Restriction on transfer	<p>Eligible Participants may only transfer, dispose of or deal with their Performance Rights with the prior written consent of the Board.</p>
No interest in Shares	<p>A grant of a Performance Right does not confer any right or interest, whether legal or equitable, in Shares until all the relevant Vesting Conditions in respect of such Performance Rights have been satisfied or waived by the Board.</p>
Quotation	<p>The Performance Rights will not be quoted on the ASX. However, upon exercise of the Performance Rights into Shares, the Company must apply for the official quotation on the ASX of the Shares arising from the exercise.</p>

11.9. POLICY FOR APPROVAL OF RELATED PARTY TRANSACTIONS

The Company's audit and risk committee is responsible for reviewing and advising the Board on transactions that could result in related parties of the Company having a direct or indirect material interest.

The audit and risk committee or its chairperson, as the case may be, will only advise the Board to approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the audit and risk committee or the chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the ASX Listing Rules or the Corporations Act.

11.10. INTERESTS OF EXPERTS AND ADVISERS

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

- Director or proposed director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promotor of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
 - the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed director to induce them to become, or qualify as, a Director.

Morgans Corporate Limited and Ord Minnett Limited have acted as Joint Lead Managers and Underwriters of the Offer. The Company has paid or agreed to pay an amount of \$1,125,000 (plus GST and disbursements) to the Joint Lead Managers and Underwriters in respect of these services on the basis that the gross proceeds of the Offer are \$25,000,000.

BDO Corporate Finance has acted as the Australian Investigating Accountant and Australian tax adviser to the Company and provided the Independent Limited Assurance Report in Section 8. The Company has paid or agreed to pay an amount of approximately \$120,000 (plus GST and disbursements) in respect of these and other services provided.

BDO Audit has acted as the auditor and tax adviser to the Company. The Company has paid or agreed to pay an amount of approximately \$85,000 (plus GST and disbursements) in respect of these services.

Talbot Sayer has acted as Australian legal adviser to the Company and performed work in relation to due diligence enquiries on Australian legal matters. The Company has paid or agreed to pay an amount of approximately \$150,000 (plus GST and disbursements) in respect of these services.

11.11. OFFER COSTS

The Company will pay all of the costs associated with the Offer, including Underwriting Fees, legal and Investigating Accountant's fees, independent expert's fees, printing and initial ASX listing fees. The total costs (net of deferred tax assets and recoverable GST) to be paid by the Company have been estimated at \$2,200,000.

11 ADDITIONAL INFORMATION

11.12. CONSENTS

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below, to the maximum extent permitted by law, 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.

- **Joint Lead Managers and Underwriters**
Morgans Financial Limited and Ord Minnett Limited have consented to being named as Joint Lead Managers of and Underwriters to the Offer, but do not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the Joint Lead Managers and Underwriters.
- **Investigating Accountant**
BDO Corporate Finance and consented to the inclusion of its Independent Limited Assurance Report in Section 8 in the form and context in which it appears.
- **Auditor**
BDO Audit has consented to being named in the corporate directory of this Prospectus in its capacity as Auditor of People Infrastructure, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BDO Audit.
- **Legal Adviser**
Talbot Sayer has consented to being named in the corporate directory of this Prospectus as Legal adviser, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Talbot Sayer.
- **Share Registry**
Link has consented to being named in the corporate directory and elsewhere in this Prospectus as the Share Registry for the Company. Link has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Link has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

11.13. LEGAL PROCEEDINGS

So far as the Directors are aware, other than as described elsewhere in this Prospectus, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which People Infrastructure is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

11.14. OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the offer of Offer Shares under this Prospectus, or to otherwise permit a public offering of Offer Shares, in any jurisdiction outside Australia and New Zealand.

11.14.1. OFFER ONLY MADE WHERE LAWFUL TO DO SO

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer Shares in any jurisdiction outside Australia and New Zealand. Persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

11.14.2. UNITED STATES RESIDENTS

The Offer Shares being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable 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 state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

11.14.3. OVERSEAS OWNERSHIP AND RESALE REPRESENTATION

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

11.14.4. INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

11.15. ASX AND ASIC – RELIEF, WAIVERS AND CONFIRMATIONS

11.15.1. ASX

ASX has provided a confirmation that based solely on the information provided to the ASX, on receipt of an application for admission to the official list of the ASX by the Company, the ASX would be likely to confirm that the terms of the NED Options, the Reardon Options and the Performance Rights issued by the Company are appropriate and equitable for the purposes of ASX Listing Rules 2.1 (Condition 1) and 6.1.

No ASX Listing Rule waivers are required.

11.15.2. ASIC

ASIC has provided case-by-case relief to modify section 609 of the Corporations Act so that the Company does not have a relevant interest in the Shares of the Existing Shareholders that are subject to voluntary escrow merely because the Existing Shareholders have entered into escrow arrangements in respect of those Shares.

Details of the voluntary escrow arrangements the Existing Shareholders have entered into are provided in sections 10.8 and 11.7.

11.16. GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in Queensland, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

11.17. DIRECTORS' CONSENT AND STATEMENT

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed by a Director of the Company, under section 351 of the Corporations Act on behalf of the Company.

Signed for and on behalf of the Company by:



Glen Richards
Chairman

APPENDIX 1: ADDITIONAL INFORMATION

Table A.1 and Table A.2 provide information on the pro forma NPBT and statutory NPBT of AWX and Edmen for FY15 and FY16.

**TABLE A.1:
PRO FORMA NPBT AND STATUTORY NPBT OF AWX AND EDMEN – FY15**

FY15 A\$000	AWX	Edmen	Total
Pro Forma NPBT	2,814	4,284	7,098
Statutory NPBT	2,972	5,198	8,171

TABLE A.2: PRO FORMA NPBT AND STATUTORY NPBT OF AWX AND EDMEN – FY16

FY16 A\$000	AWX	Edmen	Total
Pro Forma NPBT	2,566 ¹	4,796	7,362
Statutory NPBT	153	5,696	5,849

¹ AWX Pro Forma NPBT decreased in FY16 due to reallocation of head office costs that were part of the previous corporate structure that AWX was a part of before being acquired by People Infrastructure.

The same financial information has not been included for FY17 as People Infrastructure commenced the integration of the businesses during this period. This integration included sharing and/or reallocating work to ensure optimal client service and centralising cost centres to achieve efficiencies. For these reasons, People Infrastructure consider it is not meaningful to include this financial information for AWX and Edmen in FY17.

GLOSSARY

In this document:

2017 Performance Rights Plan	means the 2017 Performance Rights Plan adopted by the Company and summarised in Section 11.8.
3 Month Noteholders	means those holders of Conversion Shares that have agreed to restrictions on dealing with those Shares for a period commencing on the date of Listing and ending on the business day after the release of the Company's results for the half year ending 31 December 2017.
6 Month Noteholders	means those holders of Conversion Shares that have agreed to restrictions on dealing with those Shares for a period commencing on the date of Listing and ending six months from the date of Listing.
AASB	means the Australian Accounting Standards Board.
Active Pool	means the number of candidates that were issued group certificates by People Infrastructure in FY17.
AEST	means Australian Eastern Standard Time.
AFSL	means Australian Financial Services Licence.
Allocation Policy	means the policy adopted by the Company and the Joint Lead Managers and Underwriters as the basis for allocating the Offer Shares detailed in Section 7.
Andnatco AWX	means Andnatco AWX Pty Ltd ACN 615 168 851 as trustee for the Andnatco AWX Trust.
AP Brosnan	means AP Brosnan Pty Ltd ACN 615 090 045 as trustee for the AP Brosnan Trust.
Applicant	means a person who submits a valid Application Form and required Application Monies pursuant to this Prospectus.
Application	means an application for Offer Shares under this Prospectus.
Application Amount	means the amount required to be submitted with an Application, being the Issue Price multiplied by the number of Offer Shares applied for.
Application Form	means the application form attached to or accompanying this Prospectus for investors to apply for Offer Shares under the Offer.
Application Monies	means money submitted by Applicants pursuant to their Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles	means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
ASX Listing Rules	means the official Listing Rules of ASX as amended or waived from time to time.
AWX	means AWX Pty Ltd ACN 095 222 263 and its Subsidiaries.
BDO Audit	means BDO Audit Pty Ltd ACN 134 022 870.
BDO Corporate Finance	means BDO Corporate Finance (Qld) Ltd ACN 010 185 725 AFSL 245513.
Board	means the board of Directors of the Company.
Broker	any ASX participating organisation selected by the Joint Lead Managers and Underwriters to participate in the Broker Firm Offer.

GLOSSARY

Broker Firm Offer	means the offer of Shares under this Prospectus to eligible Australian and New Zealand residents who are sophisticated or professional investors (within the meaning of sections 708(8) and 708(11) of the Corporations Act, respectively), or, following lodgement of this Prospectus, to Australian and New Zealand resident investors who are not Institutional Investors and have receive a firm allocation from their Broker.
CGT	means capital gains tax.
Company	means People Infrastructure Ltd ACN 615 173 076.
Completion	means the completion of the Offer, being the date upon which Shares are issued to Successful Applicants in accordance with the terms of the Offer.
CAGR	means the compound annual growth rate.
Constitution	means the constitution of the Company.
Convertible Notes	means the convertible notes issued by the Company, the details of which are set out in Section 10.5.
Convertible Note Conversion	means the full conversion of the Convertible Notes to be completed on the Offer Shares Allotment Date in the manner set out in Section 10.5.
Conversion Shares	means Shares issue to Noteholders following completion of the Convertible Note Conversion described in Section 10.5.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
CRN	means customer reference number.
Directors	means the directors of the Company as at the date of this Prospectus.
Edmen	Edmen Holdings Pty Limited ACN 109 763 653 and its Subsidiaries.
Escrowed Securities	means the Securities of the Escrowed Securityholders that are subject to the voluntary escrow arrangements details in Sections 10.8 and 11.7.
Escrowed Securityholders	means all of the Existing Shareholders.
Executive Director Shareholders	means Nambawan Investments and Investco Services.
Executive Directors	means Declan Sherman and Tom Reardon.
Existing Shareholders	means the Founder Shareholders and the Noteholders.
Exposure Period	means the seven day period after the date of lodgement of the Prospectus with ASIC (as extended by ASIC (if applicable)).
Financial Information	has the meaning given to in Section 4.
Financial Markets Authority	means the New Zealand Financial Markets Authority.
Financial Markets Conduct Act	means the <i>Financial Markets Conduct Act 2013</i> (NZ).
Financial Markets Conduct Regulations	means the <i>Financial Markets Conduct Regulations 2014</i> (NZ).

Founder Shareholders	means each of: (a) AP Brosnan Pty Ltd ACN 615 090 as trustee for the AP Brosnan Trust; (b) Andnatco AWX Pty Ltd ACN 615 168 851 as trustee for the Andnatco AWX Trust; (c) Nambawan Investments; (d) Investco Services; (e) Simon Black Promotions Pty Ltd ACN 103 833 629 as trustee for the Simon Black Family Trust; and (f) CCSC27 Pty Ltd ACN 143 831 485 as trustee for the Keating Family Trust.
Group	means the Company, the Holdcos, AWX and Edmen.
GST	has the meaning given to that term in Section 195 - 1 of the <i>A New Tax System (Goods and Services Tax) Act 1999</i> as amended.
Historical Financial Information	has the meaning given to it in Section 4.
Holdcos	means each of Edmen AWX Holdco Pty Ltd, E HCo Two Pty Ltd ACN 617 722 997 and AWX HCo Two Pty Ltd ACN 615 173 601.
HR	means human resources.
Independent Limited Assurance Report	means the investigating accountant's report provided by the Investigating Accountant and included in Section 8.
Institutional Investors	means an Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA).
Institutional Offer	means the invitation to bid for Shares made to Institutional Investors under this Prospectus to acquire Shares as described in Section 7.
Investco Services	means Investco Services Pty Ltd ACN 615 166 697 as trustee for the DAS Family Trust.
Investigating Accountant	means BDO Corporate Finance.
Issue Price	means the price per Offer Share (being \$1.00).
Joint Lead Managers and Underwriters	means Morgans Corporate Limited (AFSL 23541) and Ord Minnett Limited (AFSL 237121).
Listing	means the admission of the Company to the Official List, quotation of the Shares on the ASX and commencement of unconditional trading of the Shares on ASX.
Nambawan Investments	means Nambawan Investments Pty Ltd ACN 119 060 856 as trustee for the Reardon Family Trust.
NDIS	means the National Disability Insurance Scheme.
NED Options	means an option to acquire a fully paid Share on the terms set out in Section 10.6.
New Shareholders	means persons acquiring Shares under the Offer (excluding any Existing Shareholders who acquire Shares under the Offer).

GLOSSARY

Noteholders	means the holders of the Convertible Notes at the date of this Prospectus.
Offer	means the offer of 25 million Offer Shares under this Prospectus to raise \$25 million.
Offer Closing Date	means 10 November 2017.
Offer Information Line	means 1800 502 914 (within Australia) or +61 1800 502 914 (outside Australia).
Offer Opening Date	means 30 October 2017.
Offer Period	means the period during which investors may subscribe for Offer Shares under the Offer which commences on the Offer Opening Date and ends on the Offer Closing Date.
Offer Settlement Date	means 14 November 2017.
Offer Shares	means the Shares to be issued under the Offer.
Offer Shares Allotment Date	means the date on which the Offer Shares are allotted and issued under the Offer, which is 15 November 2017.
Official List	means the official list of the ASX.
Optionholder	means a holder of NED Options or Reardon Options.
People Infrastructure	means the Company, the Holdcos, AWX and Edmen or one of the entities within that group of entities as the context requires.
Performance Rights	means the right to be issued Shares pursuant to the 2017 Performance Rights Plan.
Pro Forma Financial Information	has the meaning given to it in Section 4.
Prospectus	means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	means 20 October 2017.
Reardon Option	means an option to acquire a fully paid Share on the terms set out in Section 10.7.
Section	means a section of this Prospectus.
Securities	means Shares, Convertible Notes, NED Options and Performance Rights.
Share	means a fully paid ordinary share in the capital of the Company (to be listed under the proposed ASX code PPE).
Shareholder	means a registered holder of a Share.
Share Registry	means Link Market Services Limited ABN 54 083 214 537.
Subsidiaries	has the meaning given to it in the Corporations Act.
Successful Applicants	means an Applicant who is issued Shares under the Offer.
Underwriting Agreement	means the agreement between the Company and the Joint Lead Managers and Underwriters in respect of the Offer dated 20 October 2017, a summary of which is included in Section 10.
US Securities Act	<i>US Securities Act of 1933</i> (as amended).

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in People Infrastructure Ltd under the Broker Firm Offer on the terms set out in the Prospectus dated 20 October 2017. You may apply for a minimum of 2,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

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

Shares applied for

Price per Share

Application Monies

A , , , , , at **A\$1.00** **B** A\$, , , , ,

(minimum 2,000 , thereafter in multiples of 500)

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

Applicant #1

Surname/Company Name

C

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

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

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

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

Company

Partnership

Trust

Super Fund

PLEASE COMPLETE ADDRESS DETAILS

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

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

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

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

F

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

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G ()

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

Cheque or Bank Draft Number

BSB

Account Number

H

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

Your Guide to the Application Form

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

The Shares to which this Application Form relates are People Infrastructure Ltd ("People Infrastructure") Shares. Further details about the Shares are contained in the Prospectus dated 20 October 2017 issued by People Infrastructure Ltd. The Prospectus will expire 13 months after the date of this Prospectus. While the Prospectus is current, People Infrastructure Ltd will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

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

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

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.
 - B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
 - C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
 - D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, People Infrastructure Ltd will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
 - E** Please enter your postal address for all correspondence. All communications to you from People Infrastructure Ltd and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
 - F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to People Infrastructure Ltd's issuer sponsored subregister.
 - G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
 - H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
- If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

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

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

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

CORPORATE DIRECTORY

COMPANY

People Infrastructure Ltd

69/75 Sandgate Road
Albion, QLD 4010
www.peopleinfrastructure.com

DIRECTORS

Declan Sherman
Tom Reardon
Glen Richards
Elizabeth Savage

JOINT LEAD MANAGERS AND UNDERWRITERS

Morgans Corporate Limited

Level 29, 123 Eagle Street
Brisbane QLD 4000
www.morgans.com.au

Ord Minnett Limited

Level 31, 10 Eagle Street
Brisbane QLD 4000
www.ords.com.au

COMPANY SECRETARY

Zoe Levendel

SHARE REGISTRY

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000
www.linkmarketservices.com.au

AUDITOR

BDO Audit

Level 10, 12 Creek Street
Brisbane QLD 4000

INVESTIGATING ACCOUNTANT

BDO Corporate Finance

Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

LEGAL ADVISER

Talbot Sayer

Level 11, 241 Adelaide Street
Brisbane QLD 4000
www.talbotsayer.com.au

PEOPLE

INFRASTRUCTURE



69/75 Sandgate Road
Albion, QLD 4010

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