

**WATERMAN HOLDINGS LIMITED**  
**ACN 632 514 973**

**SECOND SUPPLEMENTARY PROSPECTUS**

**Important information**

This is a supplementary prospectus (**Second Supplementary Prospectus**) which supplements the first supplementary prospectus dated 23 October 2019 (**First Supplementary Prospectus**) and prospectus dated 18 September 2019 (**Original Prospectus**), (together, the **Prospectus**) issued by Waterman Holdings Limited ACN 632 514 973 (**Company**).

This Second Supplementary Prospectus is dated 20 December 2019 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus is a **refresh document** as defined in section 724(3H) of the Corporations Act, as inserted by ASIC Corporations (Minimum Subscription and Quotations Conditions) Instrument 2016/70 (**Instrument**).

This Second Supplementary Prospectus is intended to be read together with the Original Prospectus issued by the Company dated 18 September 2019 and the First Supplementary Prospectus dated 23 October 2019. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Second Supplementary Prospectus. If there is a conflict between the Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Supplementary Prospectus is available in electronic form on the Company's website at [www.waterman.com.au/offer](http://www.waterman.com.au/offer). A hard copy of this Supplementary Prospectus together with the Prospectus is also available on request as set out in the Prospectus.

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors. This Second Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material. As such, this is an important document and should be read in its entirety. If you do not understand any of the information presented in this Second Supplementary Prospectus, you should consult your professional advisers.

**Purpose of this document**

This Second Supplementary Prospectus has been prepared to:

1. extend the Offer and refresh the period for the minimum subscription under the Offer (**Minimum Subscription**) under the Prospectus being achieved, pursuant to the Instrument;
2. make certain changes to the Offer structure including amending the Minimum Subscription under the Offer and amending the maximum number of CPS that may be issued under the Offer; and
3. to provide an update to investors on developments in the business since the date of the Original Prospectus.

## REVISED TIMETABLE

The new indicative timetable for the Offer is as follows, which replaces the timetable set out in the Prospectus.

Event	Date
Lodgement of Original Prospectus with ASIC	18 September 2019
Offer opened	2 October 2019
Lodgement of this Second Supplementary Prospectus with ASIC	20 December 2019
First Closing Date (if applicable)	21 January 2020, or a later date as determined by the Board following satisfaction of the Minimum Subscription condition.
Issue of CPS and RCPS under the First Closing (First Allotment Date) (if applicable)	4 business days after the First Closing Date
Expected date for dispatch of holding statements for First Closing (if applicable)	2 business days after First Allotment Date
Final Closing Date	5:00pm on 31 August 2020
Issue of CPS and RCPS under the Final Closing (Final Allotment Date)	4 September 2020
Expected date for dispatch of holding statements for Final Closing	8 September 2020

These dates and times are indicative only. The Company reserves the right to further vary the dates and times of the Offer without prior notice, subject to the Corporations Act. In particular, the Company reserves the right to close the Offer or any part of it early or to extend the Offer Period relating to any part of the Offer, or to accept late Applications, either generally or in particular cases, in each case without notifying any recipient of this Second Supplementary Prospectus, the Prospectus or any Applicants.

## UPDATED KEY OFFER STATISTICS

Company	Waterman Holdings Limited
Securities offered	Fully paid CPS Fully paid RCPS
Number of Securities on issue at the date of this Prospectus	32,500,000 Class A Ordinary Shares
Number of CPS and RCPS available under the Offer	Aggregate maximum of 35,000,000 CPS and RCPS in proportions to be determined by the Board
Offer Price per CPS and RCPS	\$1.00
Total number of Securities on issue on completion of the Offer (Minimum Subscription)	32,500,000 Class A Ordinary Shares 21,000,000 CPS/RCPS
Total number of Securities on issue on completion of the Offer (Maximum Subscription)	32,500,000 Class A Ordinary Shares 35,000,000 CPS/RCPS
Gross proceeds of the Offer to the Company (Maximum Subscription)	\$35,000,000

This Second Supplementary Prospectus dated 20 December 2019 is intended to be read with the first supplementary prospectus dated 23 October 2019 (which supplemented the original prospectus dated 18 September 2019) and the prospectus dated 18 September 2019 issued by Waterman Holdings Limited (ACN 632 514 973)  
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<b>Gross proceeds of the Offer to the Company (Minimum Subscription)</b>	\$21,000,000
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<b>Total number of Shares on issue on a fully diluted basis<sup>1</sup></b>	67,500,000 Shares
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<sup>1</sup> Assuming conversion of the CPS and RCPS at Year 9, the valuation of the Company being in excess of \$67,500,000 and the Class A Ordinary Shares not being convertible into Shares

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## 1. EXTENSION TO THE OFFER AND AMENDMENT TO OFFER TERMS

### 1.1 Extension to Offer and amendment to Offer structure

The Company is exercising its right to extend the Final Closing Date under the Offer as set out in the revised indicative timetable above.

In addition, the Company is making certain changes to the structure of the Offer. Under the First Supplementary Prospectus, the Company amended the structure of the Offer to allow the Company to have a First Closing and a Final Closing. The Company is now further varying the structure of the Offer to allow it to have additional interim closings before the Final Closing.

Accordingly, after the First Closing (following the Company raising the Minimum Subscription), if any, the Company may determine to have one or more interim closings (each an **Interim Closing**) on any date before the Final Closing Date but no more than once per month (each an **Interim Closing Date**). Following each and any Interim Closing, the Company will issue RCPS and/or CPS to those Applicants who had submitted Applications under the Offer and which were accepted and processed by the Company and which had paid their application money in full by the relevant Interim Closing Date. The Company will have access to and be entitled to use the funds raised from the relevant Applicants immediately after each Interim Closing.

The Company will have the right to continue to accept Applications after each Interim Closing until the Final Closing Date to raise up to the Maximum Subscription.

If you have already submitted an Application under the Offer and do not wish to withdraw your Application, you do not need to re-submit that Application or take any other action. If you wish to withdraw your Application, you should refer to and follow the process set out in paragraph 1.4 below.

### 1.2 Minimum Subscription

Paragraph 8.3 of the Original Prospectus is updated to reflect the following:

- 1.2.1 the minimum amount which must be raised under the Offer is \$21,000,000 (**Minimum Subscription**), which will be raised by the issue of CPS and RCPS in any ratio determined by the Board; and
- 1.2.2 if the Minimum Subscription has not been raised within 4 months after the date of this Second Supplementary Prospectus, the Company will not issue any CPS or RCPS and will repay all application monies for the CPS and RCPS within the time prescribed under the Corporations Act, without interest (**Minimum Subscription Condition**).

This amendment is made pursuant to the Instrument.

### 1.3 Minimum Subscription Condition

The Company makes the following statements regarding the Minimum Subscription Condition as required by the Instrument:

- 1.3.1 as at the date of this Second Supplementary Prospectus, applications have been received for an aggregate of \$21,057,500, comprising applications for:
  - (a) \$14,770,500 CPS under the Prospectus; and
  - (b) \$6,287,000 RCPS under the Prospectus.

- 1.3.2 The Minimum Subscription amount for:
- (a) CPS will change from \$12,500,000 to \$0, such that there will be no specific Minimum Subscription amount for CPS; and
  - (b) RCPS will change from \$12,500,000 to \$0, such that there will be no specific Minimum Subscription amount for RCPS.
- 1.3.3 The Minimum Subscription is being amended:
- (a) to reduce the aggregate Minimum Subscription Amount from \$25,000,000 to \$21,000,000 and to remove any minimum subscription amount for each of CPS and RCPS such that CPS and RCPS can be issued under the Minimum Subscription in any ratio determined by the Board;
  - (b) to allow the Company to conduct a First Closing to permit it to repay interest bearing debt (under the vendor finance arrangement described in the Original Prospectus) and to provide funds towards the future growth of the business. However, the Company is also extending the timetable for the Offer to enable it to raise additional funds (up to the maximum \$35,000,000) to open new centres as described in the Original Prospectus (and supplemented below); and
  - (c) to extend the period for the Minimum Subscription being achieved from the date four months from the date of the Prospectus to four months from the date of this Second Supplementary Prospectus.
- 1.3.4 The Minimum Subscription Condition must be satisfied by 20 April 2020, being that date that is four months from the date of this Second Supplementary Prospectus.

#### 1.4 **Withdrawal of previous applications**

In accordance with section 724(2) of the Corporations Act, if you applied for CPS and RCPS under the Original Prospectus (**Existing Applicant**), you may withdraw your application and be repaid your application monies, provided you give the Company written notice of your wish to do so within one month of the date of this Second Supplementary Prospectus.

Any repayments made by the Company pursuant to an Existing Applicant exercising their right to withdraw their application will be made in full without interest.

An Existing Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company's share registry by mail or delivery to the address set out below so that it is received within 1 month of the date of the Second Supplementary Prospectus (i.e. **by close of business on 20 January 2020**).

Automic Group  
Level 5, 126 Phillip Street  
Sydney, NSW 2000

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Existing Applicant.

If you do not wish to withdraw your application, you do not need to take any action.

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## 2. BUSINESS UPDATE

### 2.1 Change in Strategy

Under the terms of this Second Supplementary Prospectus, the Company is reducing the Minimum Subscription from \$25,000,000 to \$21,000,000 and updating the Offer so that the Company may after First Closing (following raising the Minimum Subscription) have Interim Closings on a monthly basis to raise up to the Maximum Amount.

As a result, the Company has updated its strategy to reflect the reduced Minimum Subscription and potential Interim Closings up to the Maximum Subscription. As described in the Original Prospectus, the Company's strategy was to open five new business centres over the next five years.

Under the reduced Minimum Subscription of \$21,000,000 and revised Offer, the Company's strategy is to open four new business centres over the next five years, with opening of the first new business centre now being delayed 12 months, with the first new centre now due to open in March 2021. See Table 1 below for a breakdown of the number and location of proposed new centres which replaces Table 5 in the Original Prospectus:

**TABLE 5: New Centres**

	Current Centres	FY2025 Operational Target
<b>Victoria</b>		
Melbourne CBD	-	1
Melbourne Inner & Middle Suburbs	1	1
Melbourne Outer Suburbs	2	3
<b>National Locations</b>		
Sydney Outer Suburbs	-	1
Brisbane Outer Suburbs	-	1
<b>Total</b>	<b>3</b>	<b>7</b>

Reducing the number of new business centres under the Company's revised strategy from five centres to four centres in the next five years, enables the Company to reduce its costs and, based on the revised Minimum Subscription, provides the Company with surplus cashflow from existing operations to provide enough working capital to begin the expansion. In addition, the Company may draw down on additional funds under an undertaking provided by Neville Waterman in order to achieve this strategy (see details further below in section 2.4). All other elements of the Company's strategy disclosed in the Original Prospectus remain the same, including debt repayment and investment into head office capacity.

The new terms of the Offer under the Second Supplementary Prospectus also allow the Company to close additional new capital on a monthly basis. The intention of the board of directors of the Company is to continue raising capital until the Maximum Subscription amount is reached.

## **2.2 Highpoint**

As noted in the Original Prospectus, Waterman entered into a binding heads of agreement for a new lease of premises at Highpoint Shopping Centre, Rosamond Road, Maribyrnong, Victoria, which was initially anticipated to commence in August 2020. Since the date of the First Supplementary Prospectus, Waterman has received confirmation from the landlord that this project is not expected to commence with fitout until October 2021.

## **2.3 Eastland**

Since the date of the First Supplementary Prospectus, Waterman has entered into a non-binding heads of agreement for a new lease of premises at Eastland Shopping Centre, Maroondah Highway, Ringwood, Victoria, which is anticipated to commence in July 2020. The heads of agreement is subject to conditions precedent being satisfied including the Company raising certain additional capital and provides for a lease term of 10 years, including 2 x 5 year options for a premises of approximately 3,500 square metres with certain capital commitment requirements which the Company will satisfy from the proceeds of the Offer.

## **2.4 Related party transaction – Undertaking from Neville Waterman to provide additional funding**

Since the date of the First Supplementary Prospectus, the Company has entered into a binding undertaking with Neville Waterman who has agreed to provide additional funding to the Company up to a maximum of \$500,000 to the extent the Company requires further working capital to meet its outstanding obligations and liabilities as and when those obligations fall due. Any such loan will have the following terms; a 2 year term, interest of 6% per annum accruing daily with monthly interest payments and the principal repaid in full at the end of the term.

### 3. FINANCIAL INFORMATION

As a result of the amendments to the Offer terms as noted in section 1 above, there have been some consequential changes to certain financial information in Section 6 of the Original Prospectus (Financial Information), with the revised financial information set out below in this section 3.

#### 3.1 Proforma Balance Sheet

Following the amendments to the Offer terms as noted in section 1 above, the Pro Forma Balance Sheet of the Company based on the amended Minimum Subscription is set out below which replaces Table 14 in the Original Prospectus.

**TABLE 14: PRO FORMA BALANCE SHEET – MINIMUM SUBSCRIPTION**

\$ thousands, 30 June 2019	Statutory Balance Sheet	Equity Raise <sup>1</sup>	Borrowings <sup>2</sup>	Debt repayment <sup>3</sup>	Transaction costs <sup>4</sup>	TOTAL ADJUSTMENTS	Pro forma Balance Sheet
<b>Current assets</b>							
Cash and cash equivalents	178.1	21,000.0	1,000.0	(19,381.7)	(539.4)	2,078.9	2,257.0
Receivables	212.2						212.2
<b>Total current assets</b>	<b>390.3</b>	<b>21,000.0</b>	<b>1,000.0</b>	<b>(19,381.7)</b>	<b>(539.4)</b>	<b>2,078.9</b>	<b>2,469.2</b>
<b>Non-current assets</b>							
Investments	3,302.0						3,302.0
Right to use assets	26,330.6						26,330.6
Property, plant and equipment	10,623.0						10,623.0
Deferred tax assets	3,752.1				148.3	148.3	3,900.4
<b>Total non-current assets</b>	<b>44,007.7</b>				<b>148.3</b>	<b>148.3</b>	<b>44,156.0</b>
<b>Total assets</b>	<b>44,398.0</b>	<b>21,000.0</b>	<b>1,000.0</b>	<b>(19,381.7)</b>	<b>(391.1)</b>	<b>2,227.2</b>	<b>46,625.2</b>
<b>Current liabilities</b>							
Payables	(1,046.8)						(1,046.8)
Borrowings	(1,858.4)			1,858.4		1,858.4	-
Lease liabilities	(2,729.5)						(2,729.5)
Provisions	(107.8)						(107.8)
Other Liabilities	(2,137.2)						(2,137.2)
<b>Total current liabilities</b>	<b>(7,879.7)</b>			<b>1,858.4</b>		<b>1,858.4</b>	<b>(6,021.3)</b>
<b>Non-current liabilities</b>							
Borrowings	(16,523.4)		(1,000.0)	17,523.4		16,523.4	-
Lease liabilities	(34,083.9)						(34,083.9)
Provisions	(280.2)						(280.2)
<b>Total non-current liabilities</b>	<b>(50,887.4)</b>		<b>(1,000.0)</b>	<b>17,523.4</b>		<b>16,523.4</b>	<b>(34,364.0)</b>
<b>Total liabilities</b>	<b>(58,767.1)</b>		<b>(1,000.0)</b>	<b>19,381.7</b>		<b>18,381.7</b>	<b>(40,385.4)</b>
<b>Net assets</b>	<b>(14,369.1)</b>	<b>21,000.0</b>	-	-	<b>(391.1)</b>	<b>20,609.0</b>	<b>6,239.8</b>
<b>Equity</b>							
Share Capital	0.1	21,000.0			(133.5)	20,866.5	20,866.6
Retained earnings / (accumulated losses)	(14,369.2)				(257.6)	(257.6)	(14,626.8)
<b>Total equity</b>	<b>(14,369.1)</b>	<b>21,000.0</b>	-	-	<b>(391.1)</b>	<b>20,609.0</b>	<b>6,239.9</b>

1. The Equity raise reflects **minimum** cash proceeds raised under the Offer, being \$21,000,000.
2. Borrowings represent the interim funding anticipated between 30 June 2019 and the date of this Second Supplementary Prospectus.
3. Repayment of finance facilities represents cash adjustments from the repayment of debt facilities upon completion of the Offer.
4. Transaction costs reflects costs incurred in FY20 directly attributable to the Offer. Transactions totalling \$313.1k were incurred, accrued and reported in the FY19 statutory income statement. The after tax impact of FY20 transactions costs directly associated with the issue of new shares are recoded in equity (\$133.5k) and the balance recorded in the income statement (\$257.6k).



### 3.2 Capitalisation and Indebtedness

The table below sets out the indebtedness of Waterman as at 30 June 2019, before and after having adjusted for the amended pro forma impact of the Offer, which replaces Table 15 in the Original Prospectus.

**TABLE 15: STATUTORY AND PRO FORMA INDEBTEDNESS AS AT 30 June 2019**

\$ thousands, 30 June 2019	Note	Statutory / Actual	Pro Forma Minimum Subscription	Pro Forma Maximum Subscription
Cash and cash equivalents	1	178.1	2,257.0	16,257.0
Deposits on contracts	2	3,302.0	3,302.0	3,302.0
Borrowings and other liabilities	3	(20,423.5)	(2,041.7)	(2,041.7)
<b>Total (Net indebtedness) / Net Cash</b>		<b>(16,943.4)</b>	<b>3,517.2</b>	<b>17,517.2</b>

1. Cash and cash equivalents represent cash on hand and short term cash deposits
2. Deposits on contracts represents term deposits either held in trust by landlords or secured by way of bank guarantee in favour of landlords under lease contracts
3. Borrowings and other liabilities represent existing unsecured interest bearing private loan facilities and other security deposits held.

### 3.3 Liquidity and Capital Resources

Section 6.4.2 of the Original Prospectus sets out a summary of the Company's liquidity and capital resources including proceeds of the Offer. The first paragraph of Section 6.4.2 of the Original Prospectus is replaced with the new first paragraph of Section 6.4.2. below.

Waterman's principal sources of liquidity will be cash generated from rent and cash on hand. As at 30 June 2019, on a pro forma basis (adjusted for the repayment of existing debt facilities), Waterman had net cash and equivalents (\$16,256,694 under the maximum subscription and \$2,256,694 under the minimum subscription) and term deposits held as guarantees for contracts with landlords (\$3,302,000).

### 3.4 Use of Funds

The Company anticipates that the funds raised under the amended Offer will be applied as follows, noting that the table below replaces Table 23 in the Original Prospectus:

**TABLE 23: USE OF FUNDS**

Details	Minimum Subscription (\$m)	Maximum Subscription (\$m)
Cash Proceeds from the Issue of CPS/RCPS	21	35
Interim borrowings since 1 July 2019	1 <sup>1</sup>	1 <sup>1</sup>
<b>Total Sources</b>	<b>22</b>	<b>36</b>
<b>Use of Proceeds</b>		
Repayment of Existing Debt	19.4 <sup>1</sup>	19.4 <sup>1</sup>
New Centre Developments	0.6	13
Head office expansion and long-term Growth initiatives	0.3	0.3
Additional working capital	1	2.5
Payments of Costs associated with the Offer	0.7	0.7
<b>Total</b>	<b>22</b>	<b>36</b>

<sup>1</sup> Existing Debt as at 30 June was \$18.4m. Since 1 July 2019, the Company has drawn further interim borrowings of \$1m in the form of unsecured interest bearing private loan facilities to fund interim working capital, bringing the total current debt to \$19.4m. Given this, the Original Prospectus did not disclose this additional \$1m in interim borrowing as a source of funds.

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## 4. ADDITIONAL INFORMATION

### 4.1 Capital structure following the Offer

Under the revised Offer, the Company may raise the Minimum Subscription and Maximum Subscription based on any ratio of CPS and RCPS being issued. The maximum number of securities that may be issued under the Minimum Subscription and Maximum Subscription are 21,000,000 and 35,000,000 respectively. Based on existing applications received by the Company under the Offer, the Company estimates that the ratio of CPS to RCPS under the Minimum Subscription will be in the region of 60 CPS / 40 RCPS to 80 CPS / 20 RCPS. Given this, the revised capital structure tables below include information relating to the number of CPS and RCPS the Company's expects to be issued under each of the Minimum Subscription and Maximum Subscription based on its estimated range of ratios of CPS/RCPS:

As a result of the amendments to the Offer noted in this Second Supplementary Prospectus, there have been some consequential changes to certain tables in Section 10.4 of the Original Prospectus relating to the Company's capital structure following the Offer, with the revised capital structure tables set out below in this section 4.

#### Replacement of Table 25: Post-Offer capital structure

Following the amendment of the Offer terms as noted in section 1 above, as at the Final Allotment Date, the issued capital of the Company will be as follows based on the Minimum Subscription and Maximum Subscription, noting that the table below replaces Table 25 in the Original Prospectus.

**Table 25: Post -Offer capital structure**

Class of Security	Number of Shares based on Minimum Subscription	Number of Shares based on Maximum Subscription
Class A Ordinary Shares	32,500,000	32,500,000
CPS	Expected to be between 12,600,000 and 16,800,000	Expected to be between 21,000,000 and 28,000,000
RCPS	Expected to be between 4,200,000 and 8,400,000	Expected to be between 7,000,000 and 14,000,000

#### Replacement of Table 26: Assuming redemption of all RCPS and conversion of CPS

At Year 9, the capital structure of the Company will be as follows (assuming there is no earlier Trigger Event), noting that the two tables below replace Table 26 in the Original Prospectus:

Assuming redemption of all RCPS and conversion of CPS with a CPS/RCPS Ratio of 60/40.

Class of Security	Number of Shares based on Minimum Subscription			Number of Shares based on Maximum Subscription		
	Valuation below \$67,500,000	Valuation \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000
Ordinary Shares	47,500,000	19,100,000	29,100,000	74,750,000	27,500,000	37,500,000
Class A Ordinary Shares	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000

Assuming redemption of all RCPS and conversion of CPS with a CPS/RCPS Ratio of 80/20.

Class of Security	Number of Shares based on Minimum Subscription			Number of Shares based on Maximum Subscription		
	Valuation below \$67,500,000	Valuation \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000
Ordinary Shares	61,000,000	23,300,000	33,300,000	97,500,000	34,500,000	44,500,000
Class A Ordinary Shares	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000

### Replacement of Table 27: Assuming conversion of all RCPS and all CPS

The two tables below replace table 27 of the Original Prospectus.

Assuming conversion of all RCPS and all CPS and a CPS/RCPS Ratio of 60/40.

Class of Security	Number of Shares based on Minimum Subscription			Number of Shares based on Maximum Subscription		
	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000
Ordinary Shares	74,750,000	27,500,000	37,500,000	120,250,000	41,500,000	51,500,000
Class A Ordinary Shares	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000

Assuming conversion of all RCPS and all CPS and a CPS/RCPS Ratio of 80/20.

Class of Security	Number of Shares based on Minimum Subscription			Number of Shares based on Maximum Subscription		
	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000	Valuation below \$67,500,000	Valuation above \$67,500,000 but below \$250,000,000	Valuation above \$250,000,000
Ordinary Shares	74,750,000	27,500,000	37,500,000	120,250,000	41,500,000	51,500,000
Class A Ordinary Shares	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000

Please see section 4.2 below for details of the share capital in the event that all tranches of the Waterman Family's Class A Ordinary Shares convert to Ordinary Shares upon achievement of the valuation targets described in section 10.5.5 of the Original Prospectus.

#### 4.2 Substantial holders

The table below sets out the interests of the Waterman Family as at the date of this Second Supplementary Prospectus, immediately following the Offer and the maximum interest that it could hold if all Class A Ordinary Shares convert to Ordinary Shares in accordance with the terms described in section 4.1 above, noting that the two tables below replace table 29 of the Original Prospectus.

*Waterman Family Holdings: Assuming a CPS/RCPS Ratio of 60/40.*

Date of Prospectus		Immediately following the Offer <sup>2</sup>				Following conversion of all A Ordinary Shares assuming all valuation targets are met <sup>1, 2</sup>			
		Minimum Subscription		Maximum Subscription		Minimum Subscription		Maximum Subscription	
No of Securities	%	No of Securities	%	No of Securities	%	No of Securities	%	No of Securities	%
32,500,000 Class A Ordinary Shares	100%	32,500,000 Class A Ordinary Shares	60.8%	32,500,000	48.2%	82,500,000 Ordinary Shares	86.6%	82,500,000 Ordinary Shares	79.7%

<sup>1</sup> Assumes all RCPS are redeemed

<sup>2</sup> Excludes any CPS or RCPS that associates of the Waterman Family acquire under the Offer.

Waterman Holdings: Assuming a CPS/RCPS Ratio of 80/20.

Date of Prospectus		Immediately following the Offer <sup>2</sup>				Following conversion of all A Ordinary Shares assuming all valuation targets are met <sup>1, 2</sup>			
		Minimum Subscription		Maximum Subscription		Minimum Subscription		Maximum Subscription	
No of Securities	%	No of Securities	%	No of Securities	%	No of Securities	%	No of Securities	%
32,500,000 Class A Ordinary Shares	100%	32,500,000 Class A Ordinary Shares	60.8%	32,500,000	48.2%	82,500,000 Ordinary Shares	83.1%	82,500,000 Ordinary Shares	74.66

<sup>1</sup> Assumes all RCPS are redeemed

<sup>2</sup> Excludes any CPS or RCPS that associates of the Waterman Family acquire under the Offer.

## 5. AMENDMENT TO DEFINITIONS

The defined terms in the Glossary in Appendix 3 of the Prospectus set out in column 1 of the table below are amended by replacing their definitions with the definitions set out in the corresponding cell in column 2 of the table below.

Term	Definition
Closing Date	The First Closing Date, an Interim Closing Date or the Final Closing Date (as the context requires).
Prospectus	This prospectus, dated 18 September 2019, for the issue of CPS and RCPS to raise up to \$35,000,000 as supplemented by the first supplementary prospectus dated 23 October 2019 and the second supplementary prospectus dated 20 December 2019 (including the electronic form of those documents).

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**6. CONSENTS AND AUTHORISATION**

The Company confirms that as at the date of this Second Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Original Prospectus have not withdrawn that consent.

**Directors' authorisations**

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

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



Neville Waterman  
Director and Chief Executive Officer  
for and on behalf of  
Waterman Holdings Limited