



NZX Listing Profile
for the Reverse Listing of All Industrial Network Limited



10 June 2020

Prepared in connection with the proposed acquisition of 100% of the shares in All Industrial Network Limited
(Australian Company Number 633 811 579).

Prepared pursuant to NZX Listing Rule 7.3.1.

INTRODUCTION

The Proposed Transactions

Aorere Resources Limited (the “**Company**”) is currently an investment company listed on the NZX Market. The Company has been exploring reverse listing opportunities that unlock the value of the Company’s NZX listing to present to its Shareholders.

On 6 April 2020, the Company announced that it had entered into an agreement to acquire 100% of the shares on issue in All Industrial Network Limited, a company registered in Australia with Australian Company Number 633 811 579 (“**AIN**”) (the “**Purchase**”).

Prior to the completion of the Purchase, the Company will transfer its existing assets and novate all liabilities to its wholly owned subsidiary, Widespread Limited, as described in the Notice of Meeting to the Company’s Shareholders (“**Asset Transfers**”). The Company will then conduct an in-specie distribution of all of the shares in Widespread Limited to the Company’s Shareholders as at 5.00pm on 24 June 2020 (“**Record Date**”) on a pro-rata basis for nil consideration (the “**Widespread In-Specie Distribution**”). This means the Company’s Shareholders will own shares in Widespread Limited in the same proportion as they own Shares in the Company currently, while still owning Shares in the Company. The Company will then consolidate its Shares so that approximately 400,000 Shares are on issue in the Company.

The Company will then acquire all of the shares in AIN from AIN’s shareholders for consideration of NZ\$53,160,387 million. The consideration will be fully satisfied by an issue of fully paid ordinary Shares in the Company, at an issue price of NZD\$1.00 per Share (the “**Consideration Shares**”).

After the issue of the Consideration Shares, the Company will issue:

- 256,000 fully paid ordinary Shares in the Company, at a price of NZD\$1.00 per Share, to the incoming Chief Financial Officer Troy Donovan (the “**Management Shares**”)
- in total 306,000 fully paid ordinary Shares in the Company, at a price of NZD\$1.00 per Share, to certain post-completion non-executive directors - Christopher Leon, Jill Hatchwell and Chris Castle (the “**Director Shares**”).

Together, the Purchase, the Asset Transfers, the Widespread In-Specie Distribution, the issue of the Consideration Shares and the issue of Management Shares are the “**Proposed Transactions**”.

On completion of the Proposed Transactions (“**Completion**”), the Company intends to:

- change its name to ‘SMW Group Limited’ as this will leverage the well-established brand within the market to enhance the growth strategy of the Company (and references to “**SMW Group**” in this document are references to the Company post-completion);
- change its NZX Market ticker code to SMW; and
- change its balance date from 31 March to 30 June.

After Completion of the Proposed Transactions and the issue of Director Shares, the Company expects to have 54,122,387 million Shares on issue, of which 53,160,387 Shares (representing approximately 98.22% of the total Shares) will be held by the AIN vendors, 400,000 Shares (representing approximately 0.74% of the total Shares) will be held by the Company’s Shareholders prior to Completion and the remaining 562,000 Shares (representing approximately 1.04% of the total Shares) will be held by the new and continuing directors (Chris Leon, Jill Hatchwell and Chris Castle) and the new Chief Financial Officer (Troy Donovan).

Subject to market conditions (as further described on page 25 of this Profile), in the future the Company may apply to ASX for admission to the official list of ASX as an ASX foreign exempt listing and for quotation of its Shares. The Company intends to amend its constitution to comply with the ASX Listing Rules and allow for admission.

The Proposed Transactions and the issue of Director Shares are conditional on:

- the approval of the Company's Shareholders at a special meeting to be held on 25 June 2020 ("**Shareholder Meeting**");
- debt funding being made available to AIN;
- all required regulatory and contractual consents required to undertake the Proposed Transactions being obtained; and
- AIN acquiring the Group Businesses described in this Profile and the Company undertaking the Asset Transfers and the Widespread In-Specie Distribution.

Subject to the conditions being satisfied, it is intended that Completion will occur on or around 26 June 2020.

If the Proposed Transactions proceed, the Company's Shareholders (except any Shareholders who exercise their minority buy-out rights or Voluntary Acquisition Rights described in the Notice of Meeting) will retain their Shares in the Company, which will effectively be an interest in AIN as a listed entity. The Company's Shareholders (including any Shareholders who exercise their minority buy-out rights or Voluntary Acquisition Rights described in the Notice of Meeting) will also receive new shares in Widespread Limited, which will give them a percentage shareholding in Widespread Limited equivalent to their percentage shareholding in the Company on the Record Date. Within one month of Completion it is intended that Widespread Limited will have its shares quoted on the Unlisted Securities Exchange market.

The Proposed Transactions constitutes a reverse acquisition, which occurs when the entity that issues securities (the legal acquirer, in this case the Company) is treated as the acquiree for accounting purposes.

Key Dates

Key dates in relation to the Proposed Transactions are as follows:

Date of this Profile	10 June 2020
Widespread In-Specie Distribution and Share Consolidation Record Date	5.00pm on 24 June 2020
Company Shareholder Meeting	10:30 am on 25 June 2020
Asset Transfers take effect	12pm on 25 June 2020
Widespread In-Specie Distribution takes effect	5pm on 25 June 2020
Share Consolidation takes place	6pm on 25 June 2020
Expected Completion Date for the Purchase, allotment of Consideration Shares, allotment of Management Shares and allotment of Director Shares	26 June 2020
Notice of compulsory acquisition given to Takeovers Panel and acquisition notice sent to the Company's Shareholders	26 June 2020
Trading suspension lifted on the Company Shares and they resume trading on the NZX Market	Market open on 29 June 2020
Consideration Shares, Management Shares and Director Shares expected to commence trading on NZX Market	29 June 2020
Change of name of the Company to 'SMW Group Limited'	29 June 2020
Last day for the Company's Shareholders to exercise minority buy-out rights	9 July 2020
Last day for the Company's Shareholders to exercise Voluntary Acquisition Rights	20 July 2020

These dates and references to them throughout this document are indicative only and may change. The Company reserves the right to change the dates without prior notice, subject to applicable law and the NZX Listing Rules.

About SMW Group

If the Proposed Transactions proceed, the Company will own AIN and the Group Businesses. Prior to Completion, AIN will:

- enter into new finance facilities to be used to acquire the businesses described below, to fund the costs of the Proposed Transactions and for ongoing working capital purposes; and
- purchase and wholly own two established and stand-alone Australian based businesses: Alertvale Pty Limited (“**SMW**”) and BAE Engineering and Solar Pty Limited (“**BAE**”) (together, the “**Group Businesses**”).

SMW Group will be a diversified services business operating in the mining support, construction and engineering services sectors.

For more information about SMW Group and its business, see *Section 1: SMW Group and What It Does*.

Key Risks Affecting SMW Group

The Company considers that the most significant risk factors that could affect the Company’s financial position, financial performance or stated plans after Completion include:

- **COVID-19** – The key risk COVID-19 poses for SMW Group at this time is uncertainty, as it is not clear how COVID-19 will affect SMW Group’s business in the future.

It is clear that COVID-19 and the significant escalation of government protection measures across the world will have a material impact on the global economy. The resources industry in Australia to which the Group Businesses service was designated as an essential service by the Australian government and therefore is not subject to lockdown restrictions, however mining operators are enacting COVID-19 protocols such as the reduction and banning of fly in fly out workers.

The Company considers that there are risks and opportunities to be had as a result of COVID-19. For example, government responses may lead to an increase in infrastructure spending in order to combat any recessive economic effects that the pandemic may create. SMW Group may be able to benefit from any resulting, increased activity in the mining and infrastructure sectors through new contracts or expansion of existing contracts. Conversely, the economic effects of COVID-19 may place downward pressure on commodity prices. This would reduce margins in the mining sector and could lead to decreased activity or downward pressure on revenues as customers look to reduce expenditure.

The Company emphasises that an event of this magnitude is unprecedented in modern times, and the consequences and extent of such an event are unknown. Investors should expect continued volatility in equity markets generally in the short to medium term and that volatility may affect the Company’s Share price.

- **Integration of the Group Businesses** – SMW Group’s future success depends on management’s ability to successfully manage integration, expansion and growth. An important factor to this is the successful integration of the Group Businesses into the Company’s operational structure. A core growth strategy is also to make further acquisitions which will require further integration.
- **Loss of Revenue from Key Customers** – Demand for SMW Group’s services is contingent on the success of its customers and the industry they work in. As such, any reduction in demand, including from COVID-19, may have a material adverse effect on SMW Group’s financial performance.
- **Concentration of Key Customers** – In FY2019, SMW Group’s five largest customers contributed approximately 57% of SMW Group’s revenue. Any loss of a key customer of that nature will have a material adverse effect on SMW Group’s financial performance.

- **Changes to Key Personnel** – Before the Proposed Transactions, the Group Businesses have been operating as longstanding privately-held companies. As a result, SMW Group relies on key personnel within the Group Businesses to continue long-term customer relationships and share industry knowledge. Failure to retain one or more of those key personnel or successfully manage succession could adversely affect SMW Group's operations and financial performance.

The above summary does not cover all of the risks affecting the Company. For further information on these and other risks affecting the Company, you should also read *Section 4: Risks to SMW Group's business and plans*.

About this Profile

Given the Proposed Transactions will result in a change in the essential nature of the Company, from an investment company to a mining support, construction and engineering services company, the Company is required to prepare this listing profile ("**Profile**") containing all the information prescribed by the NZX Listing Rules.

The purpose of this Profile is to assist the Company's Shareholders to make a decision whether to approve the Proposed Transactions by describing the Company's business as if the Proposed Transactions are approved.

This Profile will describe the Company as if it has a 30 June balance date.

This Profile contains important information about the SMW Group's operations, the industry in which it operates, financial performance and risks associated with the SMW Group's operations.

Further information about the Company and the Proposed Transactions is available in the Notice of Meeting and the Independent Report prepared by Simmons Corporate Finance Limited.

Secondary Equity Capital Raising

The Company has agreed with NZX, as a condition of NZX providing written confirmation that it does not object to the circulation of this Profile and the Notice of Meeting, to not undertake a secondary equity capital raise in reliance on Schedule 1 of the Financial Markets Conduct Act 2013 until publication of the Company's audited financial statements for the year ended 30 June 2020.

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LETTER FROM THE CHAIRMAN DESIGNATE

Dear Shareholders,

My name is Chris Leon, and subject to Shareholder approval and completion of the proposed acquisition of all of the Shares in All Industrial Network Limited by the Company, I will become the chair of the Company's Board.

I am pleased to present you with this Profile and further information on SMW Group. SMW Group will combine two established Australian businesses:

- SMW has a diversified engineering skill set to accommodate all facets of mining support, construction, maintenance and engineering services.
- BAE is a complementary business to SMW, providing specialised services to the mining and construction industries in the areas of maintenance and engineering.

The proposed directors believe that a range of organic growth opportunities are available to SMW Group following Completion. The larger combined entity will benefit from a diversified capital base and enlarged balance sheet together with the governance assurances that come from being a listed company. We believe these factors will improve the ability of the operating businesses to successfully compete for tenders, undertake larger contracts and improve the scale of their overall operations. As a listed company, SMW Group will have the benefit of improved access to capital, which will support its other key growth strategy of making further acquisitions of complementary businesses after Completion to further grow SMW Group's market position.

The existing directors of the Company will retire at completion of the Proposed Transactions, except for Chris Castle and Jill Hatchwell who will become independent directors. Chris Castle and Jill Hatchwell will be joined by the directors described later in this document. Together the new board have extensive industry and governance experience. Each Group Business has an experienced senior management team that will continue in their current positions. Further biographical details can be read on pages 15-18 of this document.

This document contains detailed information about SMW Group and the mining support, construction and engineering service industries in which it will operate (including information about risks affecting SMW Group in *Section 4: Risks to SMW Group's business and plans*). I encourage you to read it carefully and seek professional advice should you need to.

The proposed directors believe that the Group Businesses provide the Company's shareholders with an attractive, long term investment opportunity. Following the Proposed Transactions, your directors will focus on realising growth opportunities and adding value for shareholders.

Yours sincerely



Chris Leon
Chairman Designate

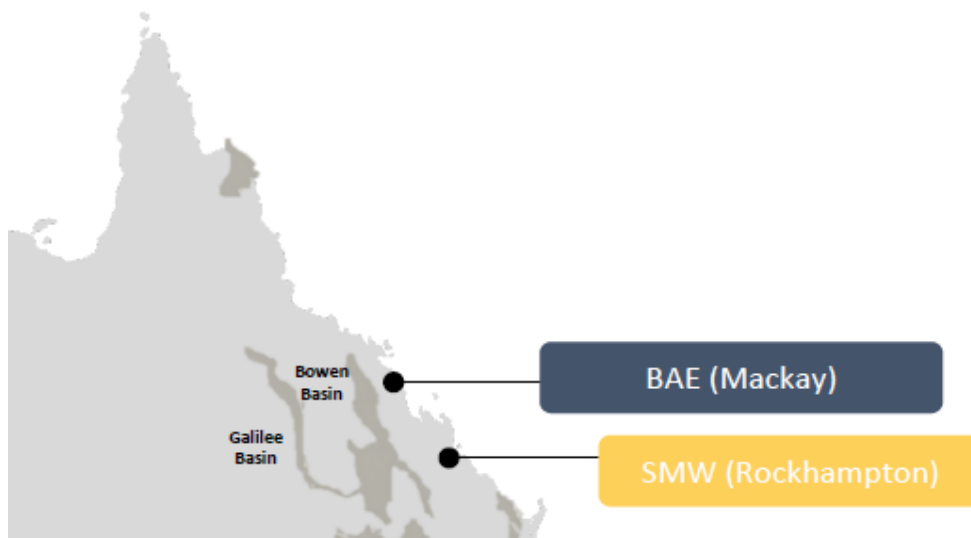
1. SMW GROUP AND WHAT IT DOES

SMW GROUP OVERVIEW

SMW Group will combine two established Australian services businesses operating across the mining support, construction and engineering service industries in Australia:

- SMW provides mining support, construction, maintenance and engineering services to customers that are primarily operating in the southern Bowen Basin in Queensland, Australia.
- BAE provides mining support, construction, maintenance and engineering services to customers that are primarily operating in the northern Bowen Basin in Queensland, Australia.

Business Locations



SMW Group has an experienced management team and Board to oversee the integration and growth of the combined businesses.

The Group Businesses are well positioned for growth as the mining sector in Australia continues its recovery and infrastructure investment remains high. As a larger combined entity, the Group Businesses will enhance their ability to successfully compete for tenders, undertake larger contracts and improve the scale of their overall operations. Operating as a listed company, SMW Group will also benefit from improved access to capital allowing for the opportunity to act on further acquisition opportunities in Australia and New Zealand as a growth strategy.

FORMATION AND CORPORATE STRUCTURE

Formation

All Industrial Network Limited (Australian Company Number 633 811 579) was incorporated in Australia on 13 May 2019 to acquire the Group Businesses.

In 2019, AIN entered into Share Acquisition Agreements to acquire both of the Group Businesses (which are each incorporated in Australia), with completion of each acquisition to take place immediately prior to Completion. In summary:

- AIN (as buyer) entered into a Share Acquisition Agreement with John (Jack) William Trenaman as trustee for The Captain Jacks Trust, Gaelforce Project Services Pty Limited as trustee for The Humphreys Family Trust and Arcup (Qld) Pty Limited as trustee for The Stevens Family Trust (as sellers) and Jack William Trenaman, Francis (Frank) Conal Humphreys and Scott Andrew Stevens (as

guarantors) on 18 July 2019 for the sale and purchase of all of the shares in SMW for a purchase price of AUD\$28 million, with the purchase price being satisfied by AUD\$12 million in cash and the remainder by the issue of 16 million shares in AIN at a price of AUD\$1.00 per share.

- AIN (as buyer) entered into a Share Acquisition Agreement with R.O.J Investments Pty Limited as trustee for the Pulikkottil Family Trust and McBryde Investments Pty Limited as trustee for the McBryde Investments Trust (as sellers) and Oliver Sabu and David McBryde (as guarantors) on 19 August 2019 for the sale and purchase of all of the shares in BAE for a purchase price of AUD\$10 million, with the purchase price being satisfied by AUD\$4 million in cash and the remainder by the issue of 6 million shares in AIN at a price of AUD\$1.00 per share.

AIN will enter into new lending prior to Completion. AIN has engaged KPMG Australia’s Debt Advisory Services to assist with arranging finance on AIN’s behalf. The lending will be up to AUD\$22 million in aggregate and will comprise three components, being equipment finance, debtor finance and vendor finance (with the exact proportions to be determined prior to Completion).

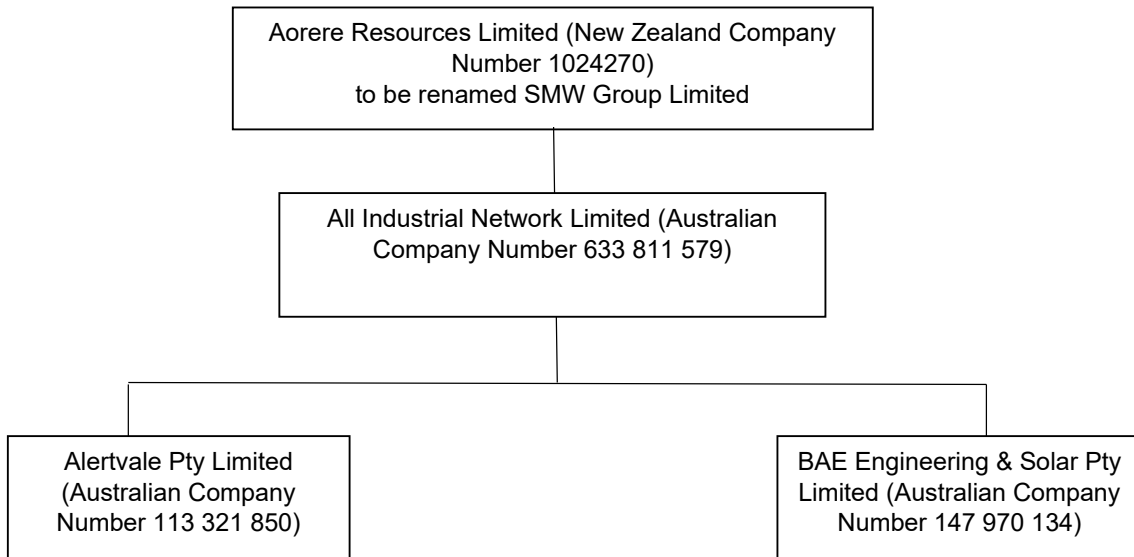
AIN is considering a number of financiers and has not confirmed its final selection as at the date of this Profile. Due to the nature of the funding (including that advances are likely to be secured against AIN’s equipment or debtors), AIN will not know the amount of funding available from equipment and debtor financiers until closer to completion of the Purchase. If equipment and debtor finance is sufficient to cover the lending requirements, AIN will not need vendor finance. AIN will determine the final composition of the lending at Completion and the Company will advise the market in accordance with continuous disclosure requirements. Full details will be set out in the annual report for the Company for 30 June 2020 which is expected to be released to market in late August 2020.

Any equipment or debtor financier will be arms’ length financiers who lend on a regular basis. The finance will be provided on normal commercial terms, taking into account the nature of the lending and SMW Group’s sector.

In respect of vendor finance, the SMW Persons and the BAE Persons (defined below) may loan to AIN up to AUD\$1.5 million for up to a three year term at the same interest rate as AIN will pay to its arms’ length financiers. If SMW Persons or BAE Persons provide vendor finance, they will receive less cash on settlement of the Share Acquisition Agreements described above.

Corporate Structure Post Transaction

On Completion, the corporate structure of SMW Group and its significant group companies will be as follows:



INDUSTRY OVERVIEW

SMW Group will operate in the mining support, construction and engineering services industries.

Mining Support Services Industry

The mining support services industry in Australia includes providers of specialist maintenance, transport, rehabilitation and shutdown services to downstream mining operations.

The industry in Australia is fragmented, consisting of many small organisations operating with specific skill sets and/or geographic locations.

The industry is highly dependent on capital investment in the mining sector, with demand growth tied to project development. Despite a downturn in capital expenditure on mining projects in recent times, the industry has remained robust, recording revenue growth in three of the past five years. Growth has been driven by favourable commodity market conditions, new natural gas projects in Australia and increased demand for countercyclical mining support services such as rehabilitation and shutdown services.¹ Employment in mining and related industries has grown substantially in regional areas – for example, in Mackay, Queensland the number of people employed in mining has recently exceeded 2013 levels.²

Prior to the COVID-19 outbreak, industry revenue was forecast to grow over the next five years, supported by a recovery in capital expenditure on mining and a pipeline of new projects. An estimated 57 mining projects worth approximately \$41 billion were either committed or likely to progress in Australia in the next four years including 12 new mining projects in Queensland that were expected to begin by 2024. These projects will provide increased demand for mining support services, with approximately 5,714 new mining employees with expertise in mining plant operation, maintenance and engineering expected to be required in Australia³.

COVID-19 has created fundamental uncertainties in the global economy and could materially affect these forecasts. While the Australian National Cabinet has identified the importance of the resources industry to maintaining the Australian economy and determined that work in mines is an essential activity and the industry as an essential service, new projects could be halted by, for example, the unavailability of debt or equity funding or made uneconomic by falls in commodity prices.

All mining projects in Queensland have been asked to provide and implement COVID-19 protocols and mines have reduced their FIFO workforce, however a recent survey shows that more than half of the sector plans to maintain or increase its workforce by replacing FIFO workers with a local drive in drive out workforce (**DIDO**).⁴

OVERVIEW OF GROUP BUSINESSES

SMW

SMW is based in Rockhampton, Queensland, at the lower end of the Bowen Basin. SMW has been operating since 2010 and employs over 320 staff. SMW is predominantly a service provider specialising in workshop and field services. SMW has three key business divisions:

Division	Overview
Heavy Fabrication and Engineering	<ul style="list-style-type: none"> • Largest fabrication facility in lower Bowen Basin • Licensed to operate 24/7 • End-to-end services, including design, fabrication, maintenance and mechanical and hydraulic engineering support • Ultrahaul brand, involving the design and manufacture of rear dump truck trays

¹ Queensland Government - <http://statements.qld.gov.au/Statement/2019/6/21/queensland-resources-employment-figures-at-a-high>

² Queensland Treasury - <https://www.qgso.qld.gov.au/statistics/theme/economy/labour-employment/state>

³ The Australian Resources and Energy Group, AMMA

⁴ Survey of Queensland resources companies undertaken by the Queensland Resources Council

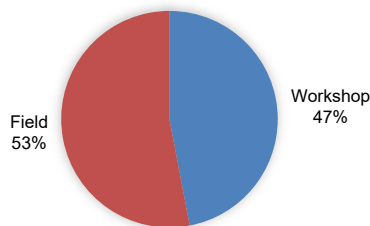
Field Services	<ul style="list-style-type: none"> • Trade services, including labour service hire • Mine site and specialised industrial cleaning (branded “Clean Team”) • Targeted at the mining and heavy industrial sectors
Abrasive Blast & Paint	<ul style="list-style-type: none"> • Largest undercover blast and paint facility in Central Queensland • Supports above two divisions

SMW primarily operates in Central Queensland, currently providing services to mines in the Bowen Basin and has the ability to efficiently service the Galilee Basin once it is in operation.

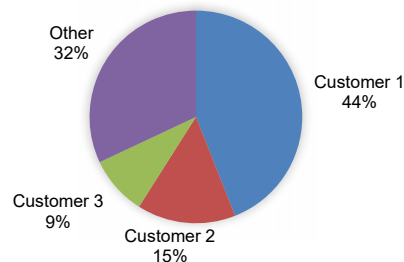
SMW's focus is on maintaining a strong retention record with its key customers, including those to whom SMW has been providing contracted services to since 2011. These relationships often span across SMW's services and often produce long-dated contracts with material revenue contributions. SMW has well-established relations with a number of market leading mining and infrastructure companies, including BHP/BMA, Anglo Coal, Coronado Curragh, Aurizon (rail transport services) and the Rockhampton City Council. In terms of revenue by division, the split of SMW's total revenue for the year ending 30 June 2019 was 47% from workshop-based services, while the remaining 53% was derived from field based services (being services that are provided on-site at mine sites and other client premises, including diesel and mechanical repairs, cleaning and welding and engineering services).

SMW currently operates out of one facility in Rockhampton, Queensland and its growth has been capped by its existing base of operations. The landlords of the Rockhampton facility (who are parties associated with the vendors of the SMW business) have plans to construct a second adjoining workshop. The second workshop is in design concept phase at present and it is proposed construction will be completed in June 2021. This will expand SMW's operations and facilitate growth (by increasing SMW's capacity for additional work and giving SMW the opportunity to tender for larger projects) from the financial year commencing 1 July 2021 onwards.

SMW FY19 DIVISION REVENUE



SMW FY19 CUSTOMER REVENUE



BAE

BAE is based in Mackay, Queensland and has been operating since 2011. It provides mining support services and mineral processing equipment to the mining and construction industries. BAE has over 70 staff.

BAE's services are organised into two major divisions:

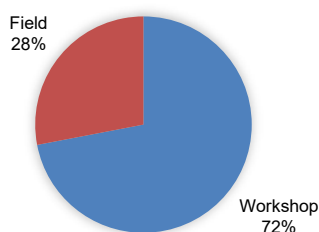
Division	Overview
Maintenance Field Services	<ul style="list-style-type: none"> • Dragline, Shovel, Excavator and wash plant shutdown. • Specialised Dragline and heavy equipment consultants. • Trade services, including labour service hire.
Repairs, Refurbishment, Fabrication, Design and Drafting	<ul style="list-style-type: none"> • End to end services including design, fabrication, maintenance and engineering support. • Computerised design modelling, 3D laser scanning • Made to order products • Dragline buckets repairs and manufacture.

	<ul style="list-style-type: none"> • Dipper buckets- repairs • Excavator buckets- repairs • Dragline rigging components refurbishment. • Truck Tray- Repairs
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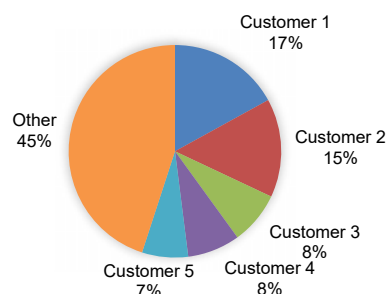
BAE has a specialist division called Taurus, which is involved in the engineering, design and production of off-highway truck buckets, bodies and accessories for mining equipment.

BAE has strong relationships with a number of major mining companies operating in the Northern Bowen Basin, including BMA, Glencore, Thiess, Anglo American Coronado Coal and Stanmore Coal. In terms of revenue by division, the split of BAE's total revenue for the year ending 30 June 2019 was 72% from workshop-based services, while the remaining 28% was derived from field based services (being services that are provided on-site at mine sites and other client premises).

BAE FY19 DIVISION REVENUE



BAE FY19 CUSTOMER REVENUE



BAE is a complementary business to SMW. While BAE is not of the same scale as SMW, has a lower employee base and faces a heightened degree of competition in the Northern Bowen Basin area (compared to what SMW faces in the Southern Bowen Basin area), BAE generates consistent and reliable earnings. Under SMW Group it is anticipated that BAE will be better positioned to grow by being part of a larger listed Group.

INTEGRATION

Integration of the Group Businesses will be a key priority for SMW Group in the period immediately after Completion.

SMW Group has prepared a phased approach to integration where the Group Businesses will continue to focus on "business as usual" to allow each Group Business to sustain and continue to organically grow profitably before focusing on further growth and operating efficiency through integration. The Group Businesses will continue to operate under existing branding, trading names and operational management, allowing them to maintain their existing presence and goodwill. Each Group Business will focus on its individual financial targets and customers (while adhering to the required financial reporting, control and risk management requirements).

SMW Group will initially focus on establishing a corporate identity under the SMW Group name and provide support to the Group Businesses including finance, human resources, information technology and procurement.

The first phase of integration is for SMW Group to build a corporate identity, which will take place from completion of the Proposed Transactions until early 2021. In this first phase, SMW Group will assess best practice and standardisation of operational practices to allow it to pursue opportunities for earnings growth including:

- procurement management (for the likes of steel and freight) to realise the benefits of increased buying power;
- manufacturing improvements, through process and technology sharing;
- streamlining distribution to establish an optimal regional network (cross selling and resource sharing);
- overhead expense improvements through economies of scale and improved performance management

(for example for insurance, accounting and other service providers); and

- increased standardisation of operational reporting such as weekly flash reports for workshop utilisations and field staff chargeable hours.

During the first phase, SMW Group will focus on expanding the financial skill set of the accounting function, centralising certain functions, the development of standardised management and operational reporting as well as Group reporting.

The Chair and CEO will oversee the first phase and it will be managed by the CEO (at an operational level) and the CFO (at a financial level) jointly.

The second phase of integration is expected to commence once the first phase of integration has been completed to the Board's satisfaction, which is likely to be early 2021. The second phase of integration will focus on standardising and assessing systems and harmonising the group policies and practices, with the aim of achieving the maximum possible synergies and profitability with the minimal amount of risk. The Group Businesses' policies and practices include ongoing compliance with the ISO 9001, OHSAS 18001 and AS/NZS 4801 accreditations, which are subject to auditing requirements.

GROWTH STRATEGIES

SMW Group has identified a number of opportunities for growth.

The Group Businesses have survived through difficult economic times in the last decade as the mining sector in Australia slowed and key commodity prices fell. Prior to COVID-19, major industry monitors forecast that the resources and infrastructure-building sectors in Queensland will likely experience a period of extended growth⁵. The combination of the Group Businesses is intended to position SMW Group to better capitalise on that forecast growth.

SMW Group considers that the current and future aspects of its business that drive its financial performance, together with the key strategies and plans to grow the earnings of the Group Businesses, can be summarised as:

- capitalising on emerging opportunities in key markets: mining, construction and engineering services;
- capitalising on synergies between the Group Businesses; and
- executing further acquisition opportunities.

Capitalising on Market Conditions

The Group Businesses service the Bowen Basin. If there is an increase in capital expenditure by new or existing customers operating in the Bowen Basin, then the Group Businesses would expect to see revenue growth in line with any such increase.

Before COVID-19, SMW Group considered the outlook for revenue growth arising from capital expenditure was promising, as:

- SMW Group believes that there has been pent up demand in the mining services sector through mine sites neglecting their maintenance spend in favour of productivity and operational enhancements during the recent cycle of lower commodity prices; and
- SMW Group can cross refer work between the Group Businesses to better use skill sets, efficiency and capacity.

COVID-19 has created economic uncertainties, including uncertainty around whether forecast capital expenditure will materialise (for example, new projects may not arise if debt or equity funding become unavailable or commodity prices fall and make the projects uneconomic). SMW Group continues to see opportunities for revenue growth, but acknowledges it is unclear how COVID-19 will affect these opportunities.

⁵ Macromonitor

SMW Group is also expected to benefit from the prevailing macroeconomic environment where economic pressure is being applied to Governments to increase infrastructure spending. Australian spending on public infrastructure is expected to reach AUD\$65billion⁶ annually over the next decade on the back of growing commodity pricing and the confidence in the private/public sector as well as government funding. The Australian government's spending is increasing due to the COVID-19 pandemic, with a AUD\$259 billion economic support package announced to date.⁷ The Australian government may also look to increase their infrastructure spend in the short term to counteract the economic effects of the COVID-19 pandemic. Investment in new infrastructure projects (particularly in Australia or China) will increase demand for commodities. This will benefit, the resources industry, and in turn may lead to the industry increasing its capital expenditure. SMW Group may be able to benefit from any resulting, increased activity in the mining and infrastructure sectors through new contracts or expansion of existing contracts.

Synergies between the Group Businesses

Synergies are expected to be realised in the longer term from:

- Demonstrating to major customers an ability to deliver as a larger group (opportunities within each Group Business may be lost as a result of not being a large corporate with a public company standard of corporate governance);
- Accepting larger contracts that would not normally be accepted due to:
 - working capital requirements;
 - capacity constraints; and
 - depth of management expertise.

Acquisition Opportunities

SMW Group will continue to pursue strategic and complementary acquisition opportunities with a well-considered and disciplined acquisition strategy where all acquisitions will be assessed against a strict selection criteria. Those criteria are based on quality and efficiency, geographic and cultural fit and contribution to company profitability.

Further acquisitions will need to provide synergistic benefits via the sharing of technology, technical know-how, distribution and market access.

SMW Group intends to fund any further acquisitions through a mixture of debt finance, the issue of equity to vendors or capital raising (although, given current market conditions as a result of COVID-19, SMW Group does not expect to undertake any capital raising in the short term (and not before the release of the audited results for FY2020), so would rely on the former two funding options before that time).

The following environment is considered to currently exist and facilitate SMW Group securing appropriate acquisitions:

- Financiers setting lower lending multiples thus inhibiting the expansion plans of private operators;
- Vendors having experienced a boom-bust cycle wishing to realise value creation; and
- Relative lack of acquisitive listed peers.

SMW and BAE each have knowledge of competitors and subcontractors who could potentially provide value accretion.

To date, SMW Group has not entered into any term sheets, undertaken due diligence or commenced formal negotiations on any acquisition opportunities. SMW Group will inform Shareholders immediately in accordance with continuous disclosure obligations if it enters into any new agreement to acquire a business.




⁶ Macromonitor and reported in AFR.




⁷ Australian Treasury - <https://treasury.gov.au/sites/default/files/2020-05/Overview-Economic-Response-to-the-Coronavirus-3.pdf>

BOARD, MANAGEMENT AND GOVERNANCE POST TRANSACTION

Proposed Directors




With effect from Completion, the Company's Board will comprise the following individuals:



 <p>Christopher (Chris) Leon Non-Executive, Independent Chairman BscEng, MENGSci, FAICD</p>	<p>Chris has over 20 years' experience in senior management roles in the agribusiness, logistics, manufacturing and mining industries.</p> <p>Chris has previously held the position of CEO/MD of Cement Australia, Pivot Limited, York International Australia Pty Limited and Thai Industrial Gases PLC. He is a former non-executive director of Tassal Limited (acting Chairman of the Health and Safety, Environment and Community Committee), Queensland Sugar Limited and Chairman of Sun Engineering (QLD) Pty Limited and Mulgowie Fresh Pty Limited.</p> <p>Chris is currently Chairman of International House and a number of Neumann Group Companies. He is a Non-Executive Director of Southern Cross Cement Pty Limited.</p>
 <p>Greg Kern Executive Director BCom, GradDip in Applied Finance and Investment, CA</p>	<p>Greg is the Chief Executive Officer and Managing Director of Kern Group, a corporate advisory firm based in Queensland, specialising in restructures, corporate finance, strategy planning and initial public offerings.</p> <p>Greg was a non-executive director of Evolve Education Group Limited from the company's listing on the NZX (5 December 2014) until Greg's retirement as a director on 17 August 2017 and a non-executive director of TIL Logistics Group Limited from 7 December 2017 to 18 April 2019.</p> <p>As lead advisor to SMW Group in relation to the listing and Shareholder, Greg's position to the Board will primarily be in relation to overseeing SMW Group's corporate operations and investor relations.</p>
 <p>John (Jack) Trenaman Chief Executive Officer and Executive Director</p>	<p>Jack has 30 years of industry experience in the areas of industrial manufacturing, process and mining equipment maintenance management and 14 years of that period has been within resource mining and cement manufacture industries in the capacity of maintenance management, project management and research & development positions.</p> <p>In these roles he has held management positions in Australia and New Zealand with Queensland Cement and Cement Australia, six years in maintenance contracting and staff positions with BHP in the areas of coal mining field maintenance and 10 years as the Managing Director of the SMW Group.</p>

 <p>Chris Castle Independent Director</p>	<p>Chris is a Chartered Accountant with more than 44 years' experience in investment and corporate finance. He was a founding director of Spectrum Resources and Premier Mining Securities and has held directorships in eight NZX listed companies. Chris' investment sector experience includes Brierley Investments and the Regina Confections/Charter Corporation Group.</p> <p>Chris subsequently established the Company (Aorere Resources Limited) in 1989 and has been CEO since 1999. He is also the independent chairman of TSX.V listed Asian Mineral Resources, and the CEO and President of TXV.V and NZX listed Chatham Rock Phosphate Limited.</p>
 <p>Jill Hatchwell Independent Director</p>	<p>Jill is a founding director of Aorere Resources Limited and an executive director of Nevay Holdings Limited, a financial advisory consultancy firm established in 1988 that advises a range of clients in the private and public sector.</p> <p>Jill is also a director of Chatham Rock Phosphate Limited. Jill was company secretary and executive director of Charter Corporation and group accountant at Brierley Investments.</p> <p>Jill's other directorships have included Netball New Zealand and ServiceIQ, the industry training organisation for the Aviation, Travel, Tourism, Museums, Hospitality, Retail and Wholesale sectors of New Zealand's service industry. She is also a Board member of the New Zealand Civil Aviation Authority. Jill was a director of Vincent Aviation Limited which went into receivership in 2014 and was subsequently liquidated.</p>
 <p>Oliver Sabu General Manager (BAE) and Executive Director</p>	<p>Oliver has 20 years of experience working in the industry, both overseas and in Australia, specialising in the design and manufacture of high precision tooling for the automotive and high volume manufacturing using modern techniques. For the past 14 years, Oliver has been working in the mining manufacture and resources sector applying this skill to mining manufacturing, repairs, refurbishment and product development.</p> <p>Oliver is a Director of BAE and the Engineering Manager in charge of the design and engineering arm of BAE, overseeing cost-effectiveness, efficient manufacturing, design and repairs. His background in manufacturing and design is an asset to BAE and has enabled him to be a part of BAE's growth for the past 9 years.</p>

Proposed Senior Managers

With effect from the completion of the Proposed Transactions, the Company's senior management team is proposed to comprise the following:

 <p>Troy Donovan Chief Financial Officer</p>	<p>Troy Donovan has over 20 years' experience working in senior financial roles, predominantly at PwC. He has spent the last 8 years in senior executive and CFO roles at the listed entity Cardno Ltd. Troy will enhance the team with his knowledge of financial analysis, financial control, treasury, planning, performance evaluation and system development.</p> <p>Troy's experience and reputation within the industry is a testament to the quality of management overseeing the strategic operations of the group.</p>
 <p>John (Jack) Trenaman Chief Executive Officer and Executive Director</p>	<p>See previous</p>
 <p>Oliver Sabu General Manager (BAE) and Executive Director</p>	<p>See previous</p>

 <p>Francis (Frank) Humphreys Chief Operating Officer, SMW</p>	<p>Frank has extensive managerial experience, holding senior roles at Queensland Cement and BMA prior to joining SMW. Frank has helped lead SMW's engineering and manufacturing team to levels of award winning excellence, including streamlining production line processes.</p>
 <p>David McBryde General Manager, BAE</p>	<p>David has over 30 years' experience in the coal mining industry. Over his career he has held a number of supervisor and managerial roles, working at Thiess for 9 years before moving to BAE. During his 8 years as a Site Services Manager, he has played a key role in BAE's operations across the Bowen Basin.</p>

SUBSTANTIAL SHAREHOLDERS AND RELEVANT INTERESTS HELD BY DIRECTORS AND SENIOR MANAGEMENT

Substantial shareholders immediately after completion of the Proposed Transactions

Shortly prior to Completion it is intended that the Company will undertake a share consolidation at a ratio of 4138.489605:1 (subject to rounding of individual shareholdings up to a whole number of Shares).

The following persons will have a relevant interest in 5% or more of the Shares in SMW Group immediately following completion of the Proposed Transactions (the **Substantial Shareholders**):

Name	Relevant interest held	Number of relevant securities held ⁸	% of relevant securities held
Kern Group (Licensing) Pty Limited as trustee of The Singapore Investment Trust and Greg Kern	<p>Kern Group (Licensing) Pty Limited will be the registered holder and beneficial owner of 7,275,192 Shares.</p> <p>Greg Kern is a director of Kern Group (Licensing) Pty Limited entities and has the power to control the dispose of, and the</p>	7,275,192	13.44%

⁸ The Share numbers in this table reflect the Share Consolidation having taken place.

Name	Relevant interest held	Number of relevant securities held ⁸	% of relevant securities held
	exercise of rights to vote attaching to, Shares held by Kern Group (Licensing) Pty Limited, resulting in the same relevant interest as Kern Group (Licensing) Pty Limited.		
Jack Trenaman as trustee of The Captain Jacks Trust	Will be the registered holder and beneficial owner	12,864,160	23.77%
Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust and Frank Humphreys	Gaelforce Project Services Pty Limited will be the registered holder and beneficial owner. Frank Humphreys is a director of Gaelforce Project Services Pty Limited and has the power to exercise the right to vote attaching to Shares held by Gaelforce Project Services Pty Limited as trustee of the Humphreys Family Trust resulting in the same relevant interest as that entity.	12,864,160	23.77%
Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust and Scott Stevens	Arcup (Qld) Pty Limited will be the registered holder and beneficial owner. Scott Stevens is a director of Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust and has the power to exercise the right to vote attaching to Shares held by Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust resulting in the same relevant interest as that entity.	12,864,160	23.77%
R.O.J. Investments Pty Limited as trustee of Pulikkottil Family Trust and Oliver Sabu	R.O.J. Investments Pty Limited will be the registered holder and beneficial owner. Oliver Sabu is a director of R.O.J. Investments Pty Limited and has the power to exercise the right to vote attaching to Shares held by R.O.J. Investments Pty Limited as trustee of the Pulikkottil Family Trust resulting in the same relevant interest as that entity.	3,454,905	6.38%
McBryde Investments Pty Limited as trustee of McBryde Investment Trust and David McBryde	McBryde Investments Pty Limited will be the registered holder and beneficial owner. David McBryde is a director of	3,454,905	6.38%

Name	Relevant interest held	Number of relevant securities held ⁸	% of relevant securities held
	McBryde Investments Pty Limited and has the power to exercise the right to vote attaching to Shares held by McBryde Investments Pty Limited as trustee of the McBryde Investments Trust resulting in the same relevant interest as that entity.		
Total		52,777,482	97.51%

The Shares being issued to the Substantial Shareholders as part of the Proposed Transaction will be subject to restrictions. The Substantial Shareholders have agreed to enter into restricted security deeds on the following terms:

- The restricted security deed will place the restrictions described below on 100% on the Shares being issued to the Substantial Shareholders from completion of the Proposed Transaction until SMW Group's audited financial statements for the year ended 30 June 2020 have been completed and published (**Restricted Period**);
- During the Restricted Period, the Substantial Shareholders will be prohibited from:
 - Selling, transferring, assigning or otherwise disposing of, or offer or agree to sell, transfer, assign or otherwise dispose of their right and title to, and beneficial interest in the Shares otherwise than by way of granting a security interest in favour of any bona fide lender to the Substantial Shareholder; or
 - Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Shares during the Restricted Period otherwise than pursuant to the enforcement of any loan and/or security interest granted to a bona fide lender to the Substantial Shareholder.

Shares being issued under the Proposed Transaction to persons other than the Substantial Shareholders are not subject to any escrow arrangements. Therefore, those persons are free to sell or otherwise dispose of Shares at any time they wish.

Shareholdings held by Proposed Directors and Proposed Senior Managers immediately after completion of the Proposed Transactions

The following Proposed Directors and Proposed Senior Managers will have a relevant interest in the following shares in the Company immediately after completion of the Proposed Transactions:

Name	Relevant Interest	Immediately after the Proposed Transactions	
		Number of relevant securities held ⁹	% of relevant securities held
Greg Kern	Director of Kern Group (Licensing) Pty Ltd and has the power to control the dispose of, and the exercise of rights to vote attaching to, Shares held by that entity, resulting in the same relevant interest as that entity.	7,275,192	13.44%

⁹ The Share numbers in this table reflect the Share Consolidation having taken place

Jack Trenaman	Will be the registered holder and beneficial owner as trustee of The Captain Jacks Trust	12,864,160	23.77%
Frank Humphreys	Director of Gaelforce Project Services Pty Limited and has the power to exercise the right to vote attaching to Shares held by Gaelforce Project Services Pty Limited as trustee of the Humphreys Family Trust resulting in the same relevant interest as that entity.	12,864,160	23.77%
Oliver Sabu	Director of R.O.J. Investments Pty Limited and has the power to exercise the right to vote attaching to Shares held by R.O.J. Investments Pty Limited as trustee of the Pulikkottil Family Trust resulting in the same relevant interest as that entity.	3,454,905	6.38%
David McBryde	Director of McBryde Investments Pty Limited and has the power to exercise the right to vote attaching to Shares held by McBryde Investments Pty Limited as trustee of the McBryde Investments Trust resulting in the same relevant interest as that entity.	3,454,905	6.38%
Chris Leon	Registered holder and beneficial owner	256,000	0.47%
Troy Donovan	Registered holder and beneficial owner	256,000	0.47%
Chris Castle	Registered holder and beneficial owner	78,447	0.14%
Jill Hatchwell	Registered holder and beneficial owner	28,276	0.05%
Total		40,532,045	74.87%

Interests of proposed directors and senior managers

Directors' remuneration and other benefits

The Company's balance date is currently 31 March. The Company will change its balance date to 30 June, effective from the completion of the Proposed Transactions.

This section of the Profile will describe the historic directors' remuneration and other benefits in two tranches.

The first table describes the total of the remuneration and other benefits received by each of the Company's current directors for the year ended 31 March 2020. This table includes Chris Castle and Jill Hatchwell, who will continue as directors after completion of the Proposed Transactions.

Director	Directors' fees received for the year ended 31 March 2020	Other benefit received for the year ended 31 March 2020
Chris Castle	Nil	NZD\$184,000
Jill Hatchwell	NZD\$10,750	NZD\$1,000
Simon Henderson	NZD\$8,000	Nil
Peter Liddle	NZD\$15,250	Nil
Linda Sanders	NZD\$8,000	Nil

The second table sets out the total of the remuneration and the value of other benefits received by each new Proposed Director in respect of AIN or any Group Business during the year ended 30 June 2019.

Director	Directors' fees received for the year ended 30 June 2019	Other benefit received for the year ended 30 June 2019
Chris Leon	Nil	Nil
Jack Trenaman	Nil	Nil ¹⁰
Greg Kern	Nil	Nil
Oliver Sabu	Nil	Nil ¹¹

The fees payable to the Proposed Directors by the Company after completion of the Proposed Transactions will materially differ from the above.

At the Company's Shareholder Meeting, the Company's Shareholders will be asked to approve an increase in the total pool available for fees payable to non-executive directors of the Company (in their capacity as directors of the Company or any of its subsidiaries) to AUD\$500,000 per annum (from NZD\$84,000 per annum currently) payable to all directors of the Company taken together. The increase will take effect from the first day of the month following the month in which completion of the Proposed Transactions occurs.

Chris Leon, as Chair, will receive AUD\$80,000 per annum. Greg Kern as Deputy Chair will receive AUD\$65,000 for his role as Deputy Chair and AUD\$15,000 for his role as Chair of the Audit Committee. Jill Hatchwell will receive NZD\$30,000 for her role as independent director and AUD\$10,000 for her role as Chair of the Remuneration Committee. Chris Castle as independent director will receive NZD\$30,000. All Directors' fees include superannuation entitlements where applicable.

As part of the Proposed Transactions, Chris Leon will receive Shares in the Company to the value of NZD\$256,000 and Chris Castle and Jill Hatchwell will both receive Shares in the Company to the value of NZD\$25,000. The Company will also pay to Chris Leon, Chris Castle and Jill Hatchwell a net amount of cash that is sufficient to pay any taxes to a taxation authority directly attributable to this issue of Shares.

Jack Trenaman will commence his role as Group CEO from completion of the Proposed Transactions with a starting full year salary of AUD\$350,000 including superannuation entitlements.

Oliver Sabu will commence his role as General Manager of BAE from completion of the Proposed Transactions with a starting full year salary of AUD\$200,000 including superannuation entitlements.

The Proposed Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with the Group's business.

Employee remuneration and other benefits

The number of AIN or Group Business employees (not being Proposed Directors of the Company) who received remuneration and other benefits in AIN or a Group Business for the year ended 30 June 2019 in their capacity as employees that in value was or exceeded AUD\$100,000 per annum is as follows:

Remuneration (AUD)	No. of Employees
\$100,000 – \$109,999	31
\$110,000 – \$119,999	19

¹⁰ Jack was not remunerated as a director during this period.

¹¹ Oliver was not remunerated as a director during this period.

Remuneration (AUD)	No. of Employees
\$120,000 – \$129,999	12
\$130,000 – \$139,999	7
\$140,000 – \$149,999	8
\$150,000 – \$159,999	4
\$160,000 – \$169,999	2
\$170,000 – \$179,999	2
\$180,000 – \$189,999	1
\$190,000 – \$239,999	-
\$240,000 – \$249,999	1

Troy Donovan was not employed by AIN or any Group Business during the year ended 30 June 2019. Troy commenced his role of Chief Financial Officer on 4 November 2019 with a starting full year salary of AUD\$300,000 including superannuation entitlements. Following Completion of the Proposed Transactions, Troy Donovan will receive Shares in the Company, details of which are set out on page 20 under the heading “*Shareholdings held by proposed directors and senior management immediately following the Proposed Transactions.*” The Company will also pay Troy Donovan a net amount of cash that is sufficient to pay any taxes to a taxation authority directly attributable to this issue of Shares.

From the completion of the Proposed Transactions each of Jack Trenaman, Frank Humphreys, Oliver Sabu and David McBryde, being persons associated with the vendors of the Group Businesses will commence their roles with new employment contracts with the Company. Jack Trenaman’s starting salary is described above. Frank Humphreys starting full year salary will be AUD\$250,000 including superannuation entitlements and each of Oliver Sabu’s and David McBryde’s starting full year salary will be AUD\$200,000 including superannuation entitlements.

No other material changes to senior executive salaries are expected for the first financial year from completion of the Proposed Transactions.

Material interests in SMW Group (or any of its subsidiaries)

Following Completion of the Proposed Transactions, each of Chris Leon, Jack Trenaman, Chris Castle, Jill Hatchwell, Troy Donovan, Frank Humphreys, Oliver Sabu, David McBryde and Greg Kern will have an interest in Shares in SMW Group, details of which are set out on page 20 under the heading “*Shareholdings held by proposed directors and senior management immediately following the Proposed Transactions.*”

AIN has appointed Kern Group Pty Limited as lead adviser in connection with the Proposed Transactions. Kern Group has provided a loan of up to AUD\$300,000 which has been advanced to the Company. SMW has also provided a loan of up to AUD\$900,000 which has been advanced to AIN. On completion of the Proposed Transaction, Kern Group will be entitled to be repaid AUD\$300,000 and SMW will be entitled to be repaid AUD\$900,000.

The SMW and BAE vendors may loan to AIN up to AUD\$1.5 million for up to a three year term at the same interest rate as AIN will pay to its arms’ length financiers.

Kern Group Pty Limited has also entered into an agreement with AIN under which Kern Group Pty Limited has agreed to provide financial advisory services, including in relation to the Proposed Transactions. On completion of the Proposed Transactions, Kern Group Pty Limited will be entitled to a fee of AUD\$950,000 plus outlays from the Company for those services.

Greg Kern, through Greg Kern & Co Pty Limited as trustee for the Singapore Investment Trust, is a shareholder of All Industrial Network Limited. Under the Proposed Transactions, Greg Kern & Co Pty Limited as trustee for the Singapore Investment Trust will be issued 7,275,192 Shares in the Company.

Scott Stevens is a director of Arcup (Qld) Pty Limited which is a trustee for the Stevens Family Trust. Arcup (Qld) Pty Limited as trustee for the Stevens Family Trust is vendor of SMW. Under the Proposed Transaction, Arcup (Qld) Pty Limited as a trustee for the Stevens Family Trust will be issued with 12,864,160 Shares in the Company.

Russell Daly, as trustee for RCLG Investments Trust, is a shareholder of All Industrial Network Limited. Under the Proposed Transaction, Russell Daly, as trustee for RCLG Investments Trust, will be issued with 382,905 Shares in the Company.

All of the Proposed Senior Managers have entered into employment agreements with SMW Group or the relevant Group Business.

The Company has granted indemnities, as permitted by the Companies Act 1993, in favour of each of its directors. The Company also maintains insurance for its directors and officers.

Other Material Governance Disclosures

At the Company's Shareholder Meeting, the Company's Shareholders will be asked to approve the adoption of the Proposed Constitution. Under the Company's current constitution and the Proposed Constitution, the Board has the power to appoint additional directors to the Board from time to time in accordance with the NZX Listing Rules. The Board will use this power to appoint the Proposed Directors to the Board on completion of the Proposed Transactions (to the extent they are not already Directors). Any director appointed by the Board must retire and seek re-appointment at the Company's next annual Shareholders' meeting in accordance with the NZX Listing Rules and the Proposed Constitution.

2. KEY FEATURES OF THE SHARES

Shares

The key features of the Company's Shares do not differ from those that generally apply to ordinary shares in a company generally.

When market conditions permit, the Company intends to apply to the ASX to be admitted to the official list of ASX as a foreign exempt entity and for the Shares to be granted official quotation on the financial market operated by ASX. Quotation of the Shares on the ASX is expected to occur under the stock code SMW. As a result, the Shares will then become dual listed on both the NZX and ASX markets.

The Board is unlikely to incur the additional costs of this ASX listing unless it is done in conjunction with a capital raising to increase working capital and improve shareholder spread and liquidity. The Board will continue to assess market conditions by regularly consulting with its advisers to determine when it may be appropriate to undertake this ASX listing and any associated capital raise. Market conditions at present, including the uncertainty associated with the COVID-19 pandemic, make monitoring market conditions a priority for now over fixing a timetable.

New Shares issued under the Proposed Transactions and issue of Director Shares

All new Shares issued under the Proposed Transactions and issue of Director Shares will be fully paid ordinary Shares in the Company that rank equally with each other and all other ordinary Shares in the Company on issue.

The principal terms of the new Shares to be issued under the Proposed Transactions and the issue of Director Shares are identical to those of the ordinary Shares in the Company on issue as at the date of this Profile.

SMW Group's dividend policy post Completion of the Proposed Transactions

Dividends and other distributions with respect to the Shares are made at the discretion of the Board.

Dividends will be paid in Australian dollars. Shareholders should be aware that movements in currency exchange rates may affect the amount received by Shareholders in respect of dividends.

Subject to the factors listed below, the Proposed Directors' current intention is to target a dividend pay-out ratio in the range of 40%-60% of NPATA subsequent to the Company's Net Debt to EBITDA multiple falling below two times. However, the level of dividend pay-out ratio may vary depending on a range of factors including:

- General business and financial conditions;
- The Company's cash flow;
- Capital expenditure requirements;
- Working capital requirements;
- Potential acquisition opportunities;
- Taxation requirements; and
- Other factors that the Directors consider relevant.

Depending on available profits and the final position of the Company, it is unlikely that the Proposed Directors will declare the Company's first dividend until the financial year commencing 1 July 2023.

The Board will monitor the Company's projected cash flow and capital requirements and will review its dividend policy on an annual basis. Any changes to the Company's dividend policy will be announced to Shareholders on NZX's website (www.nzx.com).

Despite the intentions set out above, the Company can give no guarantees or assurances as to the level or frequency of any dividend (or other distributions, if any) payable, or the level of imputation credits, if any, attached to any dividends. The dividend policy may change over time. In declaring dividends, the Company must comply with the solvency test under the Companies Act 1993.

3. SMW GROUP'S FINANCIAL INFORMATION

Introduction

The information in this section provides key financial information about the SMW Group. Full financial statements are available on the Company's website at www.aorereresources.co.nz. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

The financial information contained in this section and in the Supplementary Financial Information (which is available on the Company's website at www.aorereresources.co.nz) has been prepared by AIN.

Financial Information Presented

The table of selected financial information contained in this Profile is pro forma historical information.

Pro Forma Historical Financial Information

Pro forma historical financial information has been derived from the historical financial information adjusted for structural changes and non-recurring adjustments.

- Historical financial information comprises the aggregation of the financial reporting information of the Company and AIN for the relevant periods prior to acquisition, as if AIN were controlled by the Company for all of the relevant historical periods. For the purposes of the pro forma historical financial information we have assumed the Company has no revenue, no earnings and no net assets, consistent with it being a shell company.
- Historical financial information comprises the aggregation of the financial reporting information of the Group Businesses for the relevant periods prior to acquisition, as if these entities were controlled by AIN for all of the relevant historical periods.
- Adjustments for structural changes to the Group Businesses include:
 - Excluding a discontinued business unit of SMW from the historical results
 - Replacing costs associated with the pre-Proposed Transactions operating structure (including net interest expense and amortisation) with an estimated public company operating cost structure (including an estimated annual amortisation charge reflecting the assumed acquired intangible assets and an estimated interest expense reflecting the assumed debt structure immediately post completion)
 - Removing any goodwill, brand, customer contract values or other intangible asset values for BAE, replacing these with the goodwill, brand value and customer contract value assumed to be recognised on Completion of the Proposed Transactions
 - Removing any external borrowings and cash balances for each of the Group Businesses, replacing these with the assumed debt structure immediately following Completion of the Proposed Transactions
 - Reflecting the agreed go forward salaries for all existing Group Businesses owners/directors
 - Excluding transaction related consulting, legal and accounting fees as well as one off non-recurring income and expense items.

The pro forma financial information has been prepared as if the businesses of the Group were all part of the Group for all of the relevant periods. Full details of this reconciliation can be found in the Supplementary Financial Information.

Historical financial information for FY2017, FY2018 and FY2019 comprises the audited accounts for each of the Group Businesses, as well as the unaudited interim financial statements for the six months to 31 December 2019 (**HY2020**) which are available on the Company's website at www.aorereresources.co.nz.

AIN commenced trading on 13 May 2019. Historical financial information for AIN comprises unaudited interim

financial statements for period from 13 May 2019 to 31 December 2019.

The Company's balance date was previously 31 March. The Company will change its balance date to 30 June as well as change its name to SMW Group Limited, effective from Completion of the Proposed Transactions.

All pro forma financial information included in this section is non-GAAP information. An explanation of the non-GAAP measures employed by AIN and reconciliation to information prepared in accordance with GAAP are available in the Supplementary Financial Information of the Company's website at www.aorereresources.co.nz.

Warning – 2018 Interim Financial Information

The financial information displayed in this section does not include interim financial information for the six months ending 31 December 2018. Accordingly the financial information provided for the six months ended 31 December 2019 does not have comparable information to the earlier corresponding period.

The Company has been unable to provide this 2018 interim financial information for various reasons, including:

- The management accounts, which would form the basis of the interim financial accounts, were prepared on a different basis to the historical financial information presented in this section;
- A number of audit adjustments were raised in the FY2019 historical financial information which would not be reflected in those management accounts;
- Neither SMW nor BAE have historically prepared cashflow statements as the monthly management accounts were prepared largely on a cash basis.

Accordingly the Company considers that it cannot now reliably produce this retrospective financial information. The consequence of this information not being provided is that investors cannot compare the interim 2019 financial information to this earlier period.

The Company will, in accordance with the NZX Listing Rules, publish its audited financial information for the year ending 30 June 2020 approximately two months following Completion. At that time investors will be able to review current, full year comparative financial information.

Reverse Acquisition

The Proposed Transactions constitutes a reverse acquisition. A reverse acquisition occurs when the entity that issues securities (the legal acquirer, in this case Aorere), is not identified as the acquirer for accounting purposes.

For accounting purposes, SMW (being the acquiring entity of the Group Businesses for accounting purposes – see below) is treated as being the acquiring entity in the Proposed Transactions. This means that there is no requirement for the Company to account for the acquisition of AIN/SMW as a business combination and, therefore, no purchase price allocation is required (meaning no goodwill arising in the Company on acquisition, and no fair value adjustments to acquired assets and/or liabilities). The Shares that the Company's pre-Completion Shareholders hold following the Proposed Transactions are treated as a share-based payment and expensed through the profit or loss for FY2020.

Similar to the Company, AIN's acquisition of the Group Businesses also constitutes a reverse acquisition and for accounting purposes SMW is treated as being the acquiring entity in the AIN acquisition of the Group Businesses. This means that there is no requirement for AIN to account for the acquisition of SMW as a business combination and, therefore, no purchase price allocation is required (meaning no goodwill arising in SMW on acquisition, and no fair value adjustments to acquired assets and/or liabilities).

Further details are available in the Supplementary Financial Information of the AOR website.

Financial Reporting Standards

Recently there have been several changes in financial reporting standards. The most significant of which is NZ IFRS 16 (Leases) which has replaced NZ IAS 17 (Leases). IFRS 16 applies to financial periods beginning

on or after 1 January 2019. For comparison purposes the pro forma historical financial information contained in this section has excluded the effect of IFRS 16. However, AIN has assessed the likely impact of adopting IFRS 16 for the six months ended 31 December 2019, this is outlined below.

IFRS 16 Impact	
A\$'000	Half year ended 31-Dec-19
Increase in EBITDA (for the 6 months ended 31-Dec-19)	549
Decrease in NPAT (for the 6 months ended 31-Dec-19)	(110)
Increase in total assets (as at 31-Dec-19)	11,705
Increase in total liabilities (as at 31-Dec-19)	11,815
Decrease in net assets (as at 31-Dec-19)	(110)
Increase in total debt (as at 31-Dec-19)	11,815
Reduction in net tangible assets including ROU assets	(110)
Net tangible assets per share including ROU assets (A\$)	(0.023)

The increase in EBITDA outlined above represents AIN's total lease expense impacted by IFRS 16 for the six months ended 31 December 2019.

Special Purpose Financial Statements used in Preparing Pro Forma Financial Information

For the purposes of compiling the pro forma financial information presented in this section, AIN has utilised Special Purpose Financial Statements for AIN, SMW and BAE. Those financial statements have been prepared in accordance with the recognition and measurement requirements specified by Australian Accounting Standards and Interpretations. There are no recognition and measurement differences between Australian Accounting Standards and Interpretations and IFRS. NZ IFRS have the same recognition and measurement requirements as IFRS. Therefore, other than NZ IFRS 16, AIN considers that the calculations, principles and policies used to prepare the Special Purpose Financial Statements are consistent with GAAP and any variation from fully GAAP compliant statements would be immaterial.

AIN has reviewed the accounting policies of the acquired businesses. These are consistent with the Company's current accounting policies.

Financial statements of SMW Group after the Proposed Transactions

The financial statements of SMW Group after the Proposed Transactions will be prepared in accordance with GAAP and NZ IFRS.

Qualified audit opinions

The Independent Auditor's Report to the Members of both SMW and BAE contained qualified audit opinions. The basis for the qualified opinions are outlined below.

SMW

- *Physical inventory count (relevant for years ended 30 June 2017, 30 June 2018 and 30 June 2019):* Due to being appointed auditor on 28 May 2019, the auditor was not able to observe the counting of the physical inventories at the beginning of the years ending 30 June 2016, 30 June 2017, 30 June 2018 or 30 June 2019 or satisfy themselves concerning those inventory quantities by alternative means.
- *Plant and equipment (relevant for year ended 30 June 2017):* The prior year's audit report was modified on the basis that the previous auditor was unable to confirm the existence of plant and equipment as reported in the statement of financial position as at 30 June 2016 and plant and equipment was not appropriately valued.
- *Sundry payables & Accrued expenses (relevant for year ended 30 June 2017):* The prior year's audit report was modified on the basis that the previous auditor was unable to confirm the completeness and accuracy of sundry payables and accrued expenses as reported in the statement of financial position as at 30 June 2016.

BAE

- *Physical inventory count (relevant for years ended 30 June 2017, 30 June 2018 and 30 June 2019):* Due to being appointed auditor on 18 June 2019, the auditor was not able to observe the counting of the physical inventories at the beginning of the years ending 30 June 2016, 30 June 2017, 30 June 2018 or 30 June 2019 or satisfy themselves concerning those inventory quantities by alternative means.
- *Investment in associate (relevant for years ended 30 June 2017, 30 June 2018 and 30 June 2019):* The auditor was unable to obtain sufficient appropriate audit evidence about the carrying amount of the Company's share in its associate and the Company's share of the associate's net income.
- *Impairment in prior period (relevant for years ended 30 June 2017 and 30 June 2018):* During 2017 the Company disposed of land and buildings at a loss. The disposal value was based on an independent valuation performed as at 16 December 2016. As the valuation was significantly less than the carrying value, this may be indicative of an impairment at 30 June 2016.

Emphasis of Matter

Both SMW and BAE's Independent Auditor's Report to the Members for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 contained the following Emphasis of Matter.

"Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter."

Selected Historical Financial Information

Financial year ended 30 June	Pro forma	Pro forma	Pro forma	Pro forma
	Year ended	Year ended	Year ended	Half year ended
	30-Jun-17	30-Jun-18	30-Jun-19	31-Dec-19
A\$'000	Historical	Historical	Historical	Historical
Revenue	38,630	49,838	51,438	33,872
EBITDA	(285)	2,475	3,525	3,426
NPATA	(2,151)	(333)	78	1,292
NPAT	(2,526)	(710)	(303)	1,096
Dividends on all securities of Aorere	-	-	-	-
Cash and cash equivalents	1,365	1,970	2,580	2,265
Total current assets	10,825	14,247	17,052	17,313
Property, plant and equipment	4,002	4,576	5,279	5,763
Intangible assets (incl. goodwill)	6,924	6,936	7,053	7,306
Total non-current assets	14,863	15,133	15,999	17,125
Total assets	25,689	29,380	33,051	34,438
Total current liabilities	(23,776)	(24,658)	(24,803)	(23,735)
Total non-current liabilities	(5,115)	(5,182)	(5,300)	(4,510)
Total liabilities	(28,890)	(29,840)	(30,104)	(28,245)
Net assets/Shareholders equity	(3,202)	(460)	2,947	6,193
Total debt	(23,225)	(23,225)	(23,225)	(20,273)
Net tangible assets	(10,126)	(7,396)	(4,106)	(1,113)
Net tangible assets per share (A\$)	(0.187)	(0.137)	(0.076)	(0.021)
Net cash flow from operating activities	739	1,435	1,151	2,521

Notes to table:

- Pro forma historical financial information has been sourced from audited and unaudited financial statements that are available on the [Company's website at www.aorereresources.co.nz](http://www.aorereresources.co.nz). Details of consolidation and other pro forma adjustments can be found in the Supplementary Financial Information.
- EBITDA refers to earnings before interest, tax, depreciation and amortisation. EBITDA and pro forma EBITDA are non-GAAP profit measures. AIN considers that pro forma EBITDA, which normalises performance for acquisition related structural changes, discontinued operations, listed company costs as well as removing the impact of a number of non-recurring items, allows for a better comparison of operating performance over the historical period and for comparison with that of other companies. However, caution should be exercised as other companies may calculate EBITDA and pro forma EBITDA differently. Reconciliations between pro forma EBITDA and GAAP profit measures are contained within the Supplementary Financial Information.
- NPAT refers to net profit after tax. Pro forma NPAT is a non-GAAP measure. Reconciliations between pro forma NPAT and GAAP profit measures are contained within the Supplementary Financial Information.
- NPATA refers to net profit after tax adjusted to exclude the amortisation of intangible assets. Pro forma NPATA is a non-GAAP measure. NPATA is a relevant measure as analysts often use it as a comparison metric.
- No synergies have been included in the financial information provided above.
- The dividends declared by the Group Businesses on a stand-alone basis have been normalised for the purposes of the pro forma financial information. Per the section entitled 'Dividend' on page 38 of this Profile, AIN does not intend to pay dividends until Net Debt / EBITDA ratio is reduced to a level below 2.0x.
- Current and non-current trade and other receivables make up approximately 34% of total assets at 30 June 2019 and 36% at 31 December 2019, while property, plant and equipment make up approximately 8% of total assets at both 30 June 2019 and 31 December 2019. Intangible assets make up approximately 21% of total assets at 30 June 2019, and approximately 20% of total assets at 31 December 2019.
- Intangible assets predominantly consist of those recognised on the acquisition of the Group Businesses by AIN noting that SMW is the deemed acquirer of the Proposed Transactions (refer Reverse Acquisition discussion on page 28 of this Profile). Accordingly, the acquired intangible assets are solely attributed to BAE. These intangible assets consist of brand names and intellectual property, customer contracts and relationships as well as goodwill. The balances displayed in the table above represent the assumed intangible assets balances, had the acquisition of the Group Businesses occurred at the beginning of the relevant periods. Further, as mentioned above the Proposed Transactions constitutes a reverse acquisition. For accounting purposes, SMW (being the acquiring entity of the Group Businesses for accounting purposes – see below) is treated as being the acquiring entity in the Proposed Transactions. As a result, there is no requirement for the Company to account for the acquisition of AIN as a business combination and therefore, the AIN assets and liabilities are not required to be restated to fair value. The Shares that the Company's pre-Completion Shareholders hold following the Proposed Transactions are treated as a share-based payment and will be expensed through the profit or loss for FY20.

Similar to the Company, AIN's acquisition of the Group Businesses also constitutes a reverse acquisition and for accounting purposes SMW is treated as being the acquiring entity in the AIN acquisition. As a result, there is no requirement for AIN to account for the acquisition of SMW as a business combination and therefore the SMW assets and liabilities are not required to be restated to fair value.

- 9 Current and non-current trade and other payables make up approximately 18% of total liabilities at 30 June 2019 and approximately 19% at 31 December 2019, while interest bearing debt makes up approximately 77% of total liabilities at 30 June 2019 and approximately 72% of total liabilities at 31 December 2019.
- 10 The net tangible assets per Share is calculated using the post-Completion of the Proposed Transaction and issue of Director Shares number of Shares of 54,122,387.
- 11 The pro forma debt position shown between FY17 and HY20 reflects the assumed debt position for AIN, had the acquisition of the Group Businesses occurred at the beginning of the relevant periods. AIN is in the process of sourcing funding from debtor financiers and equipment financiers (new and existing). The financiers AIN has been engaging with have indicated that:
 - interest rates on these facilities will range from 7.5% to 13.2%;
 - the debtor financing facility is expected to have an initial term of three years (whilst the remaining maturity terms associated with the existing equipment finance facilities range from one month to four and half (4.5) years); and
 - new equipment finance facilities are expected to carry a maturity term ranging from three to four years.

No prospective financial information

There is no prospective financial information (**PFI**) in this Profile. The Proposed Directors have, following careful consideration and after due enquiry, concluded that the provision of PFI for the period to 30 June 2020, and subsequent accounting period to 30 June 2021, may be misleading for potential investors with regard to particulars that are material to the Proposed Transactions. The Proposed Directors believe that it is not practicable to formulate reasonable assumptions on which to base prospective financial statements:

The Proposed Director's reasons for this opinion are as follows:

- AIN has only recently acquired its two subsidiaries being the Group Businesses, who each have a history of operating independently. While the Group Businesses have been operating for some time, integration of the Group Businesses under AIN creates an element of uncertainty in performance for the coming years.
- The uncertainty of the economic and financial environment associated with the COVID-19 pandemic renders any forecasts unreliable. Refer to the Risk section of the Profile and specifically the risk in respect of COVID-19.
- The Company's key growth strategy includes the acquisition of businesses (both from within and outside the mining support and other potential sectors) which compliment the Group Businesses. These acquisitions will not only create transactions costs, but will also incorporate the financial positions of newly acquired businesses into the Group structure which will substantially alter the PFI.
- The Group Businesses have experienced revenue growth in the last two years due to the recovery of the Australian mining industry. The performance/trends of the Australian mining industry is impacted by many different factors outside the control of the Group Businesses and consequently the last two years' results do not provide a reliable revenue baseline to accurately forecast the PFI.

Given the inability to reliably determine reasonable assumptions for the periods that would be covered by the PFI, the Proposed Directors are of the view that any prospective financial statements may be misleading for potential investors in a material manner because actual operating revenue or expenditure for that period could be materially different from that forecast.

Capitalisation Table

The figures in the table below have been calculated assuming an enterprise value for the AIN business and assets of AUD\$75.0 million.

Capitalisation Table	
A\$'000	Transaction Date
Implied Aorere value (pre acquisition)	977
Enterprise value of AIN	74,023
Implied enterprise value of AIN (post acquisition)	75,000
Less debt:	22,146
Implied equity value of AIN post completion	52,854
Number of shares on issue	54,122,387
Implied value per share (pro rata) A\$	\$0.98
Implied value per share (pro rata) NZD\$	\$1.00

“Implied Aorere value pre acquisition” is the implied value of the Company’s existing Shareholder’s Shares post Completion of the Proposed Transactions and the issue of the Director Shares. “Implied equity value of AIN post completion” is the value of all of the Company’s equity securities. It tells Shareholders what AIN is proposing that the Company’s equity will be worth immediately following Completion of the Proposed Transactions and the issue of Director Shares. The implied market capitalisation is calculated as the implied enterprise value¹² less net debt (total external debt¹³ minus cash on hand).

Implied enterprise value is a measure of the total value of the business of the Company, as implied by the enterprise value for AIN stipulated in the Purchase Agreement. Implied enterprise value is the amount that a person would need to pay to acquire all of the Company’s equity securities and to settle all of the Company’s borrowings. It is a measure of what AIN is proposing the business of the Company will be worth immediately following the Proposed Transactions and the issue of Director Shares.

¹² Excluding IFRS 16 right of use asset

¹³ Excluding IFRS 16 lease liabilities

A summary of how SMW Group generates revenue

Both SMW and BAE generate revenue through two key sources:

- Fabrication and Engineering:** SMW Group generates approximately 55% of its revenues from fabrication and engineering mining services. Fabrication revenue is made up of SMW's heavy fabrication and engineering services division, CQ Blast and Paint division and Ultrahaul division which designs and manufactures rear dump trays for heavy haulage. BAE's fabrication, design and drafting services division, which includes computerised engineering and made to order products, as well as BAE's specialist business line called Taurus, which is involved in the engineering, design and production of off-highway truck buckets, bodies and accessories also make up part of SMW Group's fabrication and engineering segment revenue.

The key drivers for fabrication and engineering revenue is strongly linked to the demand for both the mining services industry and the heavy industry and other non-building construction industry in Australia. The mining service industry revenue is driven by external factors such as actual capital expenditure on mining, US dollars per Australian dollar, demand from iron ore and black coal mining and the base metals price index. The heavy industry and other non-building construction industry revenue is driven by private non-residential construction capital expenditure, capital expenditure by the public sector, demand from electricity, gas, water and waste services and demand from manufacturing services. The ability to maintain and leverage off the relationships with a number of well-established mining and infrastructure companies is also a key driver of revenue, as these relationships typically produce long-dated preferred supplier arrangements with material revenue contributions.

- Field Services:** SMW Group generates approximately 45% of its revenues from field services in the mining services industry. This segment of SMW Group's revenue is made up of SMW's field services division, which is primarily targeted at the mining and heavy industrial sectors and includes trade services for machinery and equipment as well as equipment hire and industrial cleaning services, as well as BAE's maintenance field services division which provides services on buckets for machinery, dragline diggers, conveyor belts and truck bodies.

Similar to the Fabrication and Engineering revenue segment, the revenues of the field services segment is primarily driven by the external factors driving the Australian mining industry as well as the heavy industry and other non-building construction industry in Australia.

Further information on the financial performance of each of the Group Businesses, can be found in the Supplementary Financial Information.

An overview of Historical Financial Performance

This section provides an overview of the pro forma historical financial performance of AIN and should be read in conjunction with the table headed Selected Financial Information on page 31 above.

FY2018 pro forma Financial Performance Relative to FY2017 pro forma

FY2018 Pro Forma Financial Performance Relative to FY2017 Pro Forma	Pro forma		% change
	Year ended 30-Jun-17 Historical	Year ended 30-Jun-18 Historical	
A\$'000			
Revenue			
BAE	13,123	14,514	11%
SMW	25,507	35,324	38%
Corporate	-	-	n/a
Revenue	38,630	49,838	29%
EBITDA			
BAE	1,515	1,893	25%
SMW	63	2,445	3,799%
Corporate	(1,863)	(1,863)	-
EBITDA	(285)	2,475	n/a

AIN's pro forma revenue increased by 29% to AUD\$49.8 million between FY2017 and FY2018. While each of the Group Businesses experienced an increase in revenue during FY2018, the revenue increase was largely driven by the recovery in coal prices and general mining activity contributing to both SMW and BAE's revenue growth. The revenue growth has also been one of the main contributors to the increase in EBITDA across the Group Businesses. The key drivers of FY2018 growth include:

- Following the suppressed coal prices during FY2015, FY2016 and the first half of FY2017, the mining companies limited their spending on contract maintenance resulting in lower revenue for these periods. The recovery of the coal price has resulted in increased investment by the mining companies to catch up the periods of underspend. Both SMW and BAE's increase in revenue in FY2018 was principally driven by the recovery in the coal price and the associated increase in mining related spending. SMW, which is the larger operation experienced a significant increase in its workshop revenue during FY2018 as a result of the mining companies increased investment in their assets through repairs and fabrication work.
- SMW reported a significant increase in EBITDA between FY2017 and FY2018. During the suppressed coal price period which continued in FY2017, SMW retained a larger workforce compared to revenue generated (lower levels of utilisation) to avoid the need to rehire, retrain and reskill employees in anticipation for the resurgence in the mining industry. Consequently, the FY2017 profitability of SMW in FY2017 was adversely impacted by this higher cost base compared to revenue generated

The significant increase in the AIN's EBITDA in FY2018 is largely driven by the increase in revenue by both of the Group Businesses as well as a focus on costs. As a publicly listed company, SMW Group will incur a level of corporate costs that come with the establishment of its corporate structure. As such the pro forma historical financials include an estimate of the ongoing corporate costs as if SMW Group was established in these historical periods.

FY2019 pro forma Financial Performance Relative to FY2018 pro forma

FY2019 Pro Forma Financial Performance Relative to FY2018 Pro Forma	Pro forma		% change
	Year ended	Year ended	
	30-Jun-18	30-Jun-19	
A\$'000	Historical	Historical	
Revenue			
BAE	14,514	14,637	1%
SMW	35,324	36,801	4%
Corporate	-	-	n/a
Revenue	49,838	51,438	3%
EBITDA			
BAE	1,893	1,935	2%
SMW	2,445	3,453	41%
Corporate	(1,863)	(1,863)	-
EBITDA	2,475	3,525	42%

AIN experienced a slight increase in revenue in FY2019 of around 3% to AUD\$51.4 million. Key drivers for FY2019 financial performance are as follows:

- Both SMW and BAE achieved revenue growth during FY2019 with the continued increase in mining spend with both workshops continued to experience an increase in utilisation resulting in an increase in revenue for their fabrication and engineering divisions
- AIN saw a significant increase in EBITDA in FY2019 compared to FY2018 by around 42% which was principally attributed to the performance of SMW. Notwithstanding that both SMW and BAE achieved EBITDA growth, the improvement in SMW's EBITDA is a result of improved project mix, improved procurement processes and continued focus on cost control through the maintenance of a fixed overhead cost base on increased revenues.

The pro forma historical financials include an estimate of the ongoing corporate costs as if SMW Group was established in these historical periods.

HY2020 pro forma Financial Performance

HY2020 Pro Forma Financial Performance	Pro forma	
	Half year ended	
	31-Dec-19	
A\$'000	Historical	
Revenue		
BAE	8,236	
SMW	25,636	
Corporate	-	
Revenue	33,872	
EBITDA		
BAE	924	
SMW	3,434	
Corporate	(932)	
EBITDA	3,426	

For HY2020, AIN has achieved pro forma revenue and EBITDA of AUD\$33.9 million and AUD\$3.4 million respectively. As there are no material seasonal trends for the Group Businesses, the continuation of the HY2020 financial performance will result in continued growth on FY2019. The strong performance in HY2020 is attributed to:

- The continuation of increased mining spend with the SMW workshop fully utilised 24 hours a day, 7 days a week and the increase to 2 x10 hours shifts per day at BAE
- Continued focus on customer relationships, quality, performance and on time delivery of projects allowing the operations to maintain and grow revenue streams
- Focused improvement in the procurement of materials and services and maintaining a fixed cost base as revenues continue to grow

Dividend

Following the Transaction, the Proposed Directors do not expect to pay dividends from the Group until the Net Debt / EBITDA ratio is reduced below 2.0x. Following this, the Proposed Directors anticipate that 40-60% of NPATA will be distributed to Shareholders as dividends.

Outlined below is the pro forma net debt/EBITDA ratio as at 30 June 2019. As noted above, the pro forma EBITDA for the year ended 30 June 2019 (AUD\$3.5 million) is not materially different to the pro forma EBITDA for the half year ended 31 December 2019 (AUD\$3.4 million).

Net debt to EBITDA ratio	
	Year ended
A\$'000	30-Jun-19
Pro Forma	
Net debt	20,645
EBITDA	3,525
Net debt/EBITDA	5.9x

Supplementary Financial Information

The following additional historical financial information is available on the Company's website at www.aorereresources.co.nz:

(a) AIN

- The unaudited interim financial statements for the period ended 31 December 2019

(b) SMW

- Audited special purpose financial statements for SMW for the year ended 30 June 2017, 30 June 2018, 30 June 2019
- the unaudited interim financial statements for the half year ended 31 December 2019

(c) BAE

- Audited special purpose financial statements for BAE for the year ended 30 June 2017, 30 June 2018, 30 June 2019
- the unaudited interim financial statements for the half year ended 31 December 2019

(d) Other Items

- The principal assumptions on which the pro forma historical information in Section 3 have been prepared include reconciliations between:
 - i. Information prepared in accordance with GAAP and the pro forma information presented in the table headed Selected Financial Information on page 31 above; and
 - ii. Net profit after tax and EBITDA, the non-GAAP profit measure referred to in the table headed Selected Financial Information on page 31 above.

4. RISKS TO SMW GROUP'S BUSINESS AND PLANS

This section sets out a description of the circumstances that SMW Group is aware of that exist or are likely to arise that significantly increase the risk to SMW Group's financial position, financial performance or stated plans. This section outlines SMW Group and the Proposed Directors' assessment of the likelihood, nature and potential magnitude of the impact of the circumstances. These risks are based on the knowledge and assessment of the Proposed Directors, as at the date of this Profile and it is possible that other risks may emerge over time.

.Uncertainty arising from COVID-19	
What is it?	The spread of COVID-19, its effect on the global economy and government actions taken in response may have a material adverse effect on the Company, its financial performance and position. SMW Group will continue to address and respond to the challenges that the COVID-19 pandemic presents however, as the situation surrounding the pandemic continues to evolve and develop, SMW Group has no certainty as to how the COVID-19 pandemic will affect SMW Group's business in the future.
Why is it significant?	<p>It is clear that COVID-19 and the significant escalation of government protection measures across the world will have a material impact on the global economy. The resources industry in Australia to which the Group Businesses service was designated as an essential service by the Australian government and therefore is not subject to lockdown restrictions, however mining operators are enacting COVID-19 protocols such as the reduction and banning of fly in fly out workers.</p> <p>SMW Group considers that there are risks and opportunities to be had as a result of COVID-19. For example, government responses may lead to an increase in infrastructure spending in order to combat any recessive economic effects that the pandemic may create. SMW Group may be able to benefit from any resulting, increased activity in the mining and infrastructure sectors through new contracts or expansion of existing contracts. Conversely, the economic effects of COVID-19 may place downward pressure on commodity prices. This would reduce margins in the mining sector and could lead to decreased activity or downward pressure on revenues as customers look to reduce expenditure.</p>
Assessment of the likelihood, nature and potential magnitude	SMW Group emphasises that an event of this magnitude is unprecedented in modern times, and the consequences and extent of such an event are unknown. Investors should expect continued volatility in equity markets generally in the short to medium term and that volatility may affect the SMW Group's Share price.

Integration of SMW Group Businesses	
What is it?	SMW Group's future success depends to a large extent on management's ability to successfully manage expansion and growth. An important factor to this is the successful integration of SMW Group's acquired Group Businesses.
Why is it significant?	If SMW Group is unable to implement its standards and policies across the Group Businesses and otherwise effectively manage integration, this will have a substantial adverse impact on SMW Group's growth.
Assessment of the likelihood, nature and potential magnitude	<p>Failure to integrate may result in the Group Businesses being unable provide the same standard of service across all divisions, with customers becoming unable to rely on the Group Businesses to deliver consistent results. If any business acquired by the Company does not meet expectations, SMW Group may be required to impair goodwill associated with that acquisition.</p> <p>There is no guarantee that the Company and the Group Businesses will operate as</p>

	<p>profitably as the separate businesses did prior. The performance of the enlarged business may be adversely affected by changes such as an increase in overheads, the change in management or a change in workplace culture. This may have a material adverse effect on SMW Group's financial performance.</p> <p>SMW Group manages this risk by following a phased integration plan which has been designed to minimise any potential impact on the ongoing success of the Group Businesses (described on page 12 above).</p>
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Loss of Revenue from Key Clients	
What is it?	SMW Group's growth and success is contingent on its customers and the industry they work in. SMW Group is subject to the potential reduction in demand for its services from customers within any of the key industry sectors in which it operates.
Why is it significant?	<p>Any reduction in demand from customers within a key industry sector may have an effect on SMW Group's ability to sustain revenue streams. Likewise it will reduce SMW Group's visibility on future developments, which may impair SMW Group's ability to position itself for future projects.</p> <p>As such, any reduction in demand may have a material adverse effect on SMW Group's financial performance.</p>
Assessment of the likelihood, nature and potential magnitude	<p>The industries in which the Group Businesses operate and service are, by nature, made up of a relatively small number of large customers being mostly the mining organisations of BHP/BMA, Anglo Coal, Coronado Curragh and Newlands for example. SMW Group currently relies on these key customers in generating a significant proportion of its total revenue and EBITDA. In the year ended 30 June 2019, SMW and BAE derived around 29% of its revenue from BHP/BMA and 11% of its revenue from Anglo Coal. No other single customer contributed to more than 10% of revenue in the same year. As there are limited new organisations entering the market, if one or more of these clients do not continue to give work to any Group Business or reduce the level of work to the Group Business, SMW Group's ability to continue to sustain revenue streams could be significantly impacted.</p> <p>A general reduction in the demand for SMW Group's services may occur if there is a downturn in the resources industry. A decline in worldwide demand for resources would result in a decrease in the future capital expenditure of the resources sector and related infrastructure which will have a direct impact on the SMW Group's revenue and profitability.</p> <p>Demand also depends on SMW Group's customers continuing to outsource construction and engineering services. Any decline in outsourcing in SMW Group's clients' industries will also have a direct impact on SMW Group's revenue and profitability.</p> <p>SMW Group's customers may also delay issuing anticipated work orders or project contracts to SMW Group if the customer is experiencing delays to their project. Delayed or postponed work orders or projects contracts would result in deferral of SMW Group's anticipated revenue in a given period. SMW Group's customers may experience delays due to the COVID-19 pandemic, however the mining services industry in Australia has been classed as an essential service by the Australian government and will largely leave the resources industry intact. SMW Group aims to minimise this risk through diversification of its customer base. The customer base, although relatively concentrated, is diverse across a wide range of industries, which hedges fluctuations. This risk is further minimised by SMW Group's ability to allocate resources across the Group Businesses so that resources are allocated to where they can be best used at relevant times.</p>

Concentration of Key Customers	
What is it?	In FY2019, SMW Group's five largest customers contributed approximately 57% of SMW Group's revenue. Any loss of a key customer of that nature will have a material adverse effect on SMW Group's financial performance
Why is it significant?	<p>The Group Businesses depend on securing key customers and ensuring that they do not lose those key customers. While SMW Group currently possesses a number of preferred supplier agreements, revenue in the sector is typically relationship based and variable in nature.</p> <p>The loss of any significant customer will limit the relevant Group Business's operational and financial performance, and could reduce SMW Group's visibility of future developments and impair the SMW Group's ability to position itself for future projects. Consequently, this will impact on the SMW Group's financial performance.</p>
Assessment of the likelihood, nature and potential magnitude	<p>SMW Group could lose key customers for a number of reasons.</p> <p>SMW Group's preferred supplier contracts with key customers, and underlying work orders and project contracts with other customers can generally be terminated on 30 days' notice. If one of SMW Group's key clients terminates such a contract for convenience, then SMW Group will not receive work orders under that contract. In the case of termination, SMW Group may be entitled to compensation, however the compensation that SMW Group would generally receive for early termination by a customer would not cover SMW Group's loss of future revenue or, in the case of a key customer framework contract, profit from further work orders under such framework contract.</p> <p>Other factors that could lead to a loss of key clients include SMW Group failing to deliver on work orders, either on time or to a satisfactory level. Disputes with customers may then arise which will not only be potentially costly to settle (especially if the parties are required to resort to litigation) but also will adversely affect SMW Group's relationship with that customer.</p> <p>There is also increasing competition as existing and new businesses seek to benefit from growth in the Australian mining support, construction and engineering services industries. Increased competition may make it difficult for the Group Businesses to either continue to obtain engagements on similar terms to existing contracts or maintain engagements with the relevant client.</p> <p>SMW Group considers that global economic conditions following the COVID-19 pandemic are unlikely to lead to a loss of key customers, as government stimulus measures may lead to an increase in infrastructure projects, which key customer may benefit from.</p> <p>The magnitude of the impact of the loss of a key customer on the SMW Group's financial performance would depend on the revenue generated by that customer and SMW Group's ability to successfully reallocate resources. The Proposed Directors have no reason to believe that SMW Group will lose a key customer during the short term.</p>

Changes to Key Personnel	
What is it?	A number of individuals within SMW Group have been identified as key personnel, with customer relationships and industry knowledge that are integral to the ongoing success of SMW Group. If SMW Group is not able to retain one or more of those key personnel, this could adversely affect SMW Group's operations and financial performance.
Why is it significant?	The Group Businesses have previously been longstanding privately held companies. As a result, SMW Group relies on key personnel within the Group Businesses to foster and continue long-term customer relationships and share industry knowledge. If the Company is not able to retain one or more of those key personnel or to

	<p>successfully manage succession, this could adversely affect SMW Group's operations and financial performance.</p> <p>SMW Group's business model also depends on a management team with talent and experience to drive the performance of, and integrate, the Group Businesses into SMW Group's core business operations.</p>
<p>Assessment of the likelihood, nature and potential magnitude</p>	<p>The Company has implemented a number of measures to retain key personnel:</p> <ul style="list-style-type: none"> • As part of the Proposed Transactions, the existing owners of SMW and BAE will each retain key management roles in SMW Group and/or relevant Group Businesses and will own Shares in SMW Group to ensure their interests are aligned. • Newly appointed independent directors of SMW Group have been identified as maintaining a high level of specialised knowledge and experience in the industry will also be issued Shares in the Company, which should incentivise their continued engagement. • SMW Group has deep relations within the mining support, construction and engineering services industries. SMW Group is confident it can retain existing key personnel, but will be well positioned to identify qualified personnel should the need to replace staff arise.

5. TAX

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of holding Shares in the Company, you should obtain professional advice on those consequences.

6. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the Company and the Proposed Transactions is available on the Company's website which can be found at www.aorereresources.co.nz (including the Proposed Constitution and the Supplementary Financial Information).

Further information relating to the Company (for example, the Company's constitution and financial statements) is available on the public register at the Companies Office at the Ministry of Business, Information and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies.

The Notice of Meeting can be obtained from NZX's website (www.nzx.com) by searching under the Company's ticker code ("AOR" and, from Completion, "SMW").

7. CONTACT INFORMATION

Company	Aorere Resources Limited The Sandspit, State Highway 60 Onekaka Golden Bay 7172 New Zealand
AIN	All Industrial Network Ltd 145 East Street Rockhampton CBD QLD 4700 Australia
Share Registrar	Link Market Services Limited Level 11, Deloitte Centre 80 Queen Street Auckland 1010 New Zealand Telephone number: +64 (9) 375 5998
AIN's Lead Adviser	Kern Group Pty Ltd Level 23, 300 Queen Street Brisbane QLD 4000 Australia
New Zealand Lawyers	Duncan Cotterill Level 2, Chartered Accountants House 50 Customhouse Quay Wellington 6011 New Zealand
Australian Lawyers	Gadens Level 11 111 Eagle Street Brisbane, QLD Australia 4000
Auditor	BDO Wellington Level 1, Chartered Accountants House 50 Customhouse Quay Wellington 6011 New Zealand

8. GLOSSARY

The following terms have the following meanings where used in this Profile unless the context otherwise requires:

“**AIN**” means All Industrial Network Limited (ACN 633 811 579).

“**Company**” or “**SMW Group**” means the Aorere Resources Limited, a company registered in New Zealand with company number 1024270 (to be renamed SMW Group Limited following the Purchase).

“**Company’s Shareholder Meeting**” means the special meeting of the Company’s Shareholders to be held to consider, amongst other matters, the approval of the Proposed Transactions, the issue of Director Shares and the adoption of the Proposed Constitution.

“**ASX**” means ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.

“**ASX Listing Rules**” means the Listing Rules of the ASX and any other rules of the ASX which are applicable at any time the Company is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express waiver by the ASX.

“**BAE**” means BAE Engineering and Solar Pty Limited (ACN 147 970 134).

“**Board**” means the board of directors of the Company.

“**Business Day**” has the meaning given in the NZX Listing Rules.

“**Companies Act**” means the Companies Act 1993.

“**Director Shares**” means the Shares to be issued to Chris Leon, Jill Hatchwell and Chris Castle for their appointment or continuing appointment on the Board, as further described on page 2 and in the Notice of Meeting.

“**FY[Year]**” means a financial year ended 30 June.

“**GAAP**” means Generally Accepted Accounting Practice in New Zealand (as applicable to a Tier 1 For-profit entity), as defined in External Reporting Board Standard A1 *Application of the Accounting Standards Framework*.

“**Group**” means together, the Company, AIN, BAE and SMW.

“**Group Businesses**” means BAE and SMW.

“**IFRS**” means International Financial Reporting Standards.

“**Independent Report**” means the independent adviser’s and independent appraisal report prepared by Simmons Corporate Finance Limited, a copy of which accompanies the Notice of Meeting.

“**Management Shares**” means the Shares to be issued to Troy Donovan in connection with his appointment as Chief Financial Officer, as further described on page 2 and in the Notice of Meeting.

“**New Facilities**” means the new banking facilities entered into by AIN to part fund AIN’s acquisition of the Group Businesses, to fund the costs of the Proposed Transactions and for ongoing working capital purposes.

“**Notice of Meeting**” means the notice of the Company’s Shareholder Meeting.

“**NPATA**” means net profit after tax adjusted to exclude the amortisation of intangible assets, as described

further at Section 3: SMW Group's Financial Information on page 31.

"NZ IFRS" means New Zealand equivalents to IFRS (as applicable to a Tier 1 For-profit entity).

"NZX" means NZX Limited.

"NZX Listing Rules" means the listing rules of the NZX Market, in force from time to time.

"NZX Market" means the equity security market operated by NZX.

"PFI" means Prospective Financial Information.

"Profile" means this document, being a profile prepared in accordance with the NZX Listing Rules.

"Proposed Constitution" means the proposed new constitution for the Company to be put to the Company's Shareholders for approval at the Company's Shareholder Meeting.

"Proposed Directors" means those persons proposed to be directors of the Company with effect from Completion as set out in Section 1: SMW Group and what it does.

"Proposed Senior Manager" means those persons proposed to be senior managers of the Company with effect from Completion as set out in Section 1: SMW Group and what it does.

"Proposed Transactions" means the Purchase, the Asset Transfers, the Widespread In-Specie Distribution, the issue of the Consideration Shares and the issue of the Management Shares.

"Purchase" means the purchase of 100% of the shares on issue in AIN by the Company under the Purchase Agreement.

"Purchase Agreement" means the agreement entered into between the Company, AIN and others dated 5 April 2020 under which the Company has agreed to purchase all of the shares in AIN.

"Record Date" means 5pm on 24 June 2020.

"Shareholders" means a shareholder of the Company.

"Share Consolidation" means the consolidation of the Company's share capital (made up of 1,655,395,842 Shares at the date of this Profile) at a ratio of 4138.489605:1 (subject to rounding of individual shareholdings up to a whole number of Shares).

"Shares" means ordinary shares in the Company.

"SMW" means Alertvale Pty Limited (ACN 113 321 850).

"Supplementary Financial Information" means the document entitled Reconciliation of audited financial statements to pro forma historical information and supplementary financial information which is available on the Website.

"Takeovers Code" means the Takeovers Regulations 2000.

"Voluntary Acquisition Rights" means each existing Shareholder's right to require the Dominant Owner (as defined in the Notice of Meeting) to purchase that Shareholder's Shares in accordance with the Takeovers Code, as further described in the Notice of Meeting.

"Website" means the Company's website which can be found at www.aorereresources.co.nz and, following the Purchase, www.allindustrialnetwork.com.au.

“Widespread In-Specie Distribution” means the in-specie distribution by the Company to its Shareholders of all the shares in Widespread Limited, as further described on page 2 and in the Notice of Meeting.