



ACN 142 375 522

ASX: MPX

## OFFER DOCUMENT

### Non-Renounceable Rights Issue

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#### **Rights Offer**

For a non-renounceable pro-rata offer to Eligible Shareholders on the basis of one (1) fully paid ordinary share (New Share) for every six (6) Shares held at the Record Date, at an issue price of \$0.25 per New Share to raise up to approximately \$4,151,046 before costs.

#### **Shortfall Offer**

For an offer to Eligible Shareholders of the Shortfall to the Rights Offer, at an issue price of \$0.25 per New Share.

#### **Offer Period**

The Offers open on Monday, 21 September 2020 and close at 5:00pm (WST) on Monday, 5 October 2020, unless it is extended. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to extend the Closing Date of the Rights Offer.

#### **IMPORTANT NOTICE**

This Offer Document and the accompanying Acceptance Form contain important information and should be read in their entirety. This Offer Document is not a prospectus or other form of disclosure document and does not contain the same level of information. If you have any questions about the Offers or this Offer Document, you should speak to your professional adviser. The New Shares offered in connection this Offer Document are of a speculative nature.

# Corporate Directory

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## Directors

Nicholas Zborowski – Executive Director  
Anthony Ho – Non-Executive Director  
Jack Spencer-Cotton – Non-Executive Director

## Company Secretary

Kim Hogg

## Registered Office

15 McCabe Street,  
North Fremantle, WA 6159

Telephone: +61 8 9386 7069  
Website: <https://www.mustera.com.au/>

## Share Registry\*

Advanced Share Registry Limited

110 Stirling Highway,  
Nedlands, WA 6009

Telephone: +61 8 9389 8033  
Facsimile: +61 8 6370 4203

## Auditor\*

BDO Audit (WA) Pty Ltd

38 Station Street,  
Subiaco, WA 6008

## Lead Manager

Townshend Capital Pty Ltd (ACN 099 900 188)  
AFSL No. 219326

15 McCabe Street,  
North Fremantle, WA 6159

## Solicitors to the Offers

Blackwall Legal LLP  
Level 26, 140 St Georges Terrace,  
Perth, WA 6000

## ASX Code: MPX

\*Included for information purposes only. These entities have not been involved in the preparation of this Offer Document.

## Important Information

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### Nature of document

This Offer Document is issued by Mustera Property Group Ltd (ACN 142 375 522) (**Mustera or Company**) under section 708AA of the Corporations Act, as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. It is dated 10 September 2020 and was lodged with ASX on that date. ASX does not take any responsibility for the contents of this Offer Document or the merits of the investment to which it relates. This Offer Document has not been lodged with ASIC.

This Offer Document is not a prospectus or other disclosure document. It does not contain all of the information which would be found in a prospectus or other disclosure document, or which may be required by an investor to make an informed investment decision regarding the Offers or the New Shares.

Eligible Shareholders should carefully read all of this Offer Document before making a decision about the Offers. Eligible Shareholders should pay particular attention to the risk factors set out in Section 5. These risks could affect the operations, financial position and performance of the Company.

### Not investment or financial product advice

The information in this Offer Document does not constitute investment or financial product advice and does not take into account the investment objectives, financial situation, taxation impact or particular needs of individual Eligible Shareholders. The potential tax effects of the Offers will vary between Eligible Shareholders. Eligible Shareholders should contact their stockbroker, accountant or other professional adviser if they have any questions regarding the Offers and investing in the Company.

### Publicly available information

This Offer Document should be read in conjunction with the public announcements made by the Company which are available on the Company's website: <https://www.mustera.com.au/> as well as the ASX market announcements platform using the Mustera's ASX code 'MPX'.

These announcements do not contain all of the information that would be included in a prospectus, but still contain important information about the Company. Eligible Shareholders are encouraged to have regard to such announcements before making a decision whether or not to participate in an Offer. These announcements (and the contents of any websites on which they may be found) do not form part of this Offer Document.

Mustera may release further announcements after the Offer Document Date and throughout the Offer Period, which may be relevant to Eligible Shareholders' consideration of the Offers. Eligible Shareholders are encouraged to check whether any new announcements have been released by the Company after the Offer Document Date before deciding on whether or not to participate in an Offer.

### Disclaimer of representations

Mustera has not authorised any person to give any information, or to make any representation, in relation to the Offers that is not contained in this Offer Document, and any such information or representation may not be relied on. Except and to the extent required by law, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on investment made pursuant to this Offer Document.

### Forward-looking statements

This Offer Document contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements have been prepared with all reasonable care and attention, based on an evaluation of current economic, financial and operating conditions, as well as assumptions regarding future events. These events are, as at the Offer Document Date, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control. They may be affected by matters such as those outlined in Section 5. This may result in the actual circumstances being materially different to those anticipated. Eligible Shareholders are cautioned not to place undue reliance on any forward-looking statements.

Mustera and the Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur as and when stated. Except to the extent required by law (including the ASX Listing Rules), the Company does not give any undertaking to update or revise any forward-looking statements after the Offer Document Date to reflect any changes in expectations in relation to forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Eligible Shareholders should note that past performance (including past share price performance) cannot be relied on as an indicator of, and does not provide any guidance as to, future performance, including future share price performance.

### **Jurisdictional restrictions**

Mustera has not taken any action to register or qualify New Shares or the Offers, or otherwise to permit a public offering of New Shares, in any jurisdiction outside Australia and New Zealand.

The distribution of this Offer Document (including in electronic form) in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons outside Australia who obtain this Offer Document should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. the Company disclaims all liability to such persons.

This Offer Document does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

By applying or paying for New Shares, an Eligible Shareholder represents and warrants that there has not been any breach of such laws.

### **Residents of New Zealand**

The New Shares are only being offered under this Offer Document to Eligible Shareholders in New Zealand in reliance upon the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This Offer Document is not an investment statement or prospectus under New Zealand law and may not contain all the information that such documents are required to contain.

### **Privacy**

Eligible Shareholders who apply for New Shares will provide 'personal information' (within the meaning given to that term in the Privacy Act) to the Company and the Share Registry. By applying for New Shares under an Offer, an Eligible Shareholder will be taken to have consented to the Company and the Share Registry collecting, holding and using the Eligible Shareholder's personal information in order to assess their Acceptance, process the Acceptance, service their your needs as a Shareholder, provide facilities and services that the Eligible Shareholders requests, and carry out appropriate administrative functions. Corporate and taxation laws require the Company to collect some personal information. Eligible Shareholders who do not provide the information requested may not have their Acceptances processed efficiently, or at all.

### **Photographs and diagrams**

Photographs used in this Offer Document which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the Offer Document or its content. Diagrams are illustrative only and may not be drawn to scale. The people and assets depicted in photographs in this Offer Document are not employees or assets of the Company unless specifically stated.

### **Governing law**

This Offer Document and the accompanying Acceptance Forms are governed by the laws of the State of Western Australia. Eligible Shareholders who apply for New Shares under an Offer submit to the non-exclusive jurisdiction of the courts of the State of Western Australia.

### **Meaning of terms**

Capitalised terms and certain other terms used in this Offer Document are defined in the Glossary in Section 8.

References to "our", "us" and "we" are references to the Company.

References to "I", "you" and "your" are references to an Eligible Shareholder.

### **Currency**

References to "\$" or "dollar" are references to Australian currency, unless otherwise stated.

### **Time**

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

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## Key Information

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### Indicative Timetable

| Event  | Date                         |
|--|------------------------------|
| Announcement of Offers<br>Lodgement of Offer Document, Appendix 3B and notice under section 708AA(2)(f) of the Corporations Act with ASX | Thursday, 10 September 2020  |
| “Ex” date  | Tuesday, 15 September 2020   |
| Record Date (5:00pm WST)   | Wednesday, 16 September 2020 |
| Despatch of Offer Document and Acceptance Forms to Eligible Shareholders, and announcement of despatch to ASX<br>Opening Date            | Monday, 21 September 2020    |
| Last day to extend Offer Period  | Wednesday, 30 September 2020 |
| Closing Date for all acceptances (5:00pm WST)  | Monday, 5 October 2020       |
| New Shares quoted on a deferred settlement basis (if approved by ASX)  | Tuesday, 6 October 2020      |
| Announcement of Offer results to ASX, including notification of Shortfall  | Thursday, 8 October 2020     |
| Issue of New Shares/ New Shares entered into Shareholders’ security holdings<br>Lodgement of Appendix 2A (before 12:00pm Sydney time)    | Monday, 12 October 2020      |
| Normal trading of New Shares to commence on ASX  | Tuesday, 13 October 2020     |

**Note:** These dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Acceptances, either generally or in particular cases, without notification.

### Key Rights Offer Details

| Offer                        | Detail  |
|------------------------------|---|
| Eligibility                  | Shareholders registered on the Record Date with an address in Australia and New Zealand |
| Ratio                        | 1 New Share for every 6 Shares held at Record Date                                      |
| Price per New Share          | \$0.25  |
| Number of New Shares offered | 16,604,185  |
| Cash proceeds (before costs) | \$4,151,046   |

## Key Shortfall Offer Details

| Offer                        | Detail   |
|------------------------------|--|
| Eligibility                  | Eligible Shareholders to the Rights Offer  |
| Price per New Share          | \$0.25   |
| Number of New Shares offered | That number of Entitlements not taken up under the Rights Offer and any New Shares to which Excluded Shareholders would have been entitled to if they were Eligible Shareholders |

## Potential Delay in Delivery – COVID-19 Pandemic

Eligible Shareholders should be aware that the COVID-19 pandemic may cause significant delays in the delivery of Offer Documents and Acceptance Forms by post, as well as the return of completed Acceptance Forms by Eligible Shareholders wishing to participate in the Offers.

Eligible Shareholders who wish to participate in the Offers are therefore encouraged to provide their email address to the Share Registry (Advanced Share Registry) to permit electronic delivery of their personalised Acceptance Forms. Contact details for the Share Registry are set out in the Corporate Directory section.

Eligible Shareholders who have not provided their email address to the Share Registry, or who are unsure, should contact the Company Secretary using the contact details below prior to the Closing Date.

## General Enquiries

For enquiries, please contact the Company Secretary on +61 8 6389 2688 at any time between 9:00am and 5:00pm (WST) Monday to Friday until the Closing Date. Alternatively, please consult your stockbroker, accountant or other professional advisor.

## Letter from the Executive Director

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Dear Shareholder,

On behalf of the Board, I am pleased to invite you to participate in this non-renounceable pro-rata 1-for-6 Rights Offer at an issue price of \$0.25 per New Share to raise approximately \$4,151,046 (before costs). You can also apply under the Shortfall Offer for New Shares comprising the Shortfall to the Rights Offer at the same issue price.

On 24 April 2020, Mustera announced to ASX that it had received approval for its development application of a \$65 million apartment project in Applecross, Western Australia (**Forbes Residences Project**). Located at the corner of Forbes and Kishorn Roads, Forbes Residences is designed as a “vertical village” and will offer a mix of 57 residential apartments together with food and beverage and commercial spaces.

The proceeds of the Offers will be used to progress the development of the Forbes Residences Project, specifically the second stage of its planning and design process. Funds raised will also ensure that the Company’s working capital position remains strong heading into the marketing and launch stage of the Forbes Residences Project.

The Offers under this Offer Document are scheduled to close at **5:00pm (WST) on Monday, 5 October 2020**. Eligible Shareholders wishing to participate in the Offers must apply for New Shares before this time in accordance with the instructions set out in Section 4 and on their personalised Acceptance Forms accompanying this Offer Document.

Further details of the Offers, as well as the risks associated with investing in the Offers are set out in this Offer Document which you should read carefully and in its entirety. If you have any questions about the Offers, you should consult your stockbroker or other independent professional adviser to evaluate whether or not to participate in the Offers.

The Company encourages participants in the Offers to apply for New Shares by BPAY® as a matter of public safety, to avoid the handling of paper Acceptance forms and to avoid potential mail delays in light of the ongoing COVID-19 pandemic.

On behalf of Board, I invite you to consider this investment opportunity and thank you for your continued support.

Yours sincerely,



**Nick Zborowski**  
Executive Director



## 1. Overview

### 1.1 Activities

Mustera's principal activities are the development of residential apartments and funds management. The Company recently received development approval for its flagship development project Forbes Residences in Applecross, Western Australia which is to comprise 57 apartments, as well as food and beverage and office tenancies. The project, which has been designed by multi award-winning Singapore-based architects, WOHA, as a 'vertical village', will also include a range of unique features aimed at both encouraging a sense of community for residents and delivering benefits to the surrounding neighbourhood – including a community garden area, end of trip facilities, co-working space and a 120sqm community centre. The Company is progressing with the design development and marketing plans for this project and anticipates that the marketing campaign will commence in Q4 2020.

Mustera continued to focus on advancing its portfolio of development assets and delivering rental revenue and management fees through its investments.

Following the COVID-19 outbreak, the Company moved quickly to implement a framework to assess, measure and control any potential risks. This framework included the adoption, as a minimum, of all guidelines introduced by the Australian Federal and State Government health authorities to minimise health risks presented by COVID-19. The Company continues to monitor the situation and update its framework where necessary.

### 1.2 Purpose of the Offers and use of funds

The Company may increase its cash at hand by up to approximately \$4,151,046 (before payment of costs) under the Offers. The proceeds of the Offers will be used to fund the development of the Company's Forbes Residences Project in Applecross and for the Company's general working capital.

In addition, the funds will be used to further progress the Company's existing development portfolio with a view to realising the value of its assets. This includes further due diligence and design works to achieve planning approvals for the Company's core projects.

The following indicative table sets out the proposed used of funds raised under the Offers over the 12 month period following completion of the Offers, assuming full subscription:

| Item | Proceeds of the Offer                   | Full Subscription  | %              |
|------|---|--------------------|----------------|
| 1    | Development of Forbes Residences        |                    |                |
|      | • Design Development - Marketing        | \$330,000          |                |
|      | • Marketing and Sales                   | \$1,330,000        |                |
|      | • Design Development - Building Licence | \$320,000          |                |
|      | • Statutory Costs                       | \$350,000          |                |
|      | • Other Project Costs                   | \$670,000          |                |
|      | Subtotal                                | \$3,000,000        | 72.3%          |
| 2    | Development of core assets (allowance)  | \$300,000          | 7.2%           |
| 3    | General working capital <sup>1</sup>    | \$721,046          | 17.4%          |
| 4    | Costs of the Offers <sup>2</sup>        | \$130,000          | 3.1%           |
|      | <b>Total</b>                            | <b>\$4,151,046</b> | <b>100.00%</b> |

#### Notes:

- Working capital includes but is not limited to corporate administration and overhead costs, and may be applied to other expenses such as legal, tax and audit fees, insurance and travel costs, share registry costs, Directors' fees, ASX fees and regulatory compliance costs and expenses.
- Costs of the Offers include the Lead Manager's fees and the other costs identified in Section 7.3.

The information set out in the above table is a statement of the Directors' present intentions as at the Offer Document Date. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. Accordingly, the Directors reserve the right to alter how the funds raised will be applied.

## 2. Details of the Offers

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### 2.1 Rights Offer

#### (a) Offer

Under the Rights Offer, Eligible Shareholders are invited to subscribe for one (1) New Share for every six (6) Shares held at the Record Date, at an issue price of \$0.25 per New Share to raise up to approximately \$4,151,046 (before costs).

All New Shares issued pursuant to the Rights Offer will be issued as fully paid and will rank equally in all respects with the Existing Shares on issue. Further details of the rights and liabilities attaching to the New Shares are set out in Section 6.

Eligible Shareholders may apply for New Shares but are not required to do so.

Please refer to Section 4 for details on how to accept an Entitlement and apply for New Shares under the Rights Offer.

#### (b) Entitlement and eligibility

All Shareholders with a registered address in Australia or New Zealand and who are registered as the holder of Shares at the Record Date of **5:00pm (WST) on Wednesday, 16 September 2020** are Eligible Shareholders. The Rights Offer is made to Eligible Shareholders only.

The Rights Offer is not extended to Shareholders who do not have a registered address in Australia and New Zealand (i.e. Excluded Shareholders).

The number of New Shares to which Eligible Shareholders are entitled (i.e. their Entitlement) is shown on each Eligible Shareholder's personalised Acceptance Form accompanying this Offer Document.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole number.

An Eligible Shareholder's Entitlement to participate in the Rights Offer will lapse if not accepted by the Closing Date. Any New Shares not applied for will form part of the Shortfall.

The Company reserves the right (in its sole discretion) to:

- reject any Acceptance Form that it believes comes from a person who is not an Eligible Shareholder; and
- reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Rights Offer proves to be false, exaggerated or unsubstantiated.

The Company reserves the right to withdraw the Rights Offer at any time before New Shares are issued pursuant to it. In that event, relevant Application Monies will be refunded without interest in accordance with the Corporations Act.

#### (c) No rights trading

The Rights Offer is non-renounceable. Eligible Shareholders may not sell or transfer their Entitlement under the Offers. If Eligible Shareholders do not take up their Entitlements under the Rights Offer by the Closing Date, their Entitlements will lapse.

(d) **Minimum subscription**

The Rights Offer is not subject to any minimum subscription condition or requirement.

(e) **Underwriting**

The Rights Offer is not underwritten.

(f) **No takeover exception**

The Company has not appointed any nominee to arrange for the sale of New Shares for which Excluded Shareholders would have been entitled to subscribe had they been Eligible Shareholders, for the purposes of section 615 of the Corporations Act.

Accordingly, the exception in item 10 of section 611 of the Corporations Act for an Eligible Shareholder to exceed the takeovers threshold may not apply to the Rights Offer.

The takeover threshold is set out in section 606 of the Corporations Act. In summary, it prohibits a person (unless an exception applies) from:

- acquiring a ‘relevant interest’ in 20% or more of the Shares on issue; or
- increasing an existing ‘relevant interest’ in Shares from a starting point above 20% but below 90%,

unless an exception under the Corporations Act applies.

Broadly, a ‘relevant interest’ means a controlling interest in Securities, whether direct or indirect, and including through informal or unenforceable arrangements.

Therefore, Eligible Shareholders should have regard to the takeover restrictions when determining whether to accept their Entitlements. Eligible Shareholders who may be at risk of exceeding the 20% takeover threshold by accepting their Entitlement should seek legal or other professional advice before completing and returning their Acceptance Forms.

## 2.2 **Shortfall Offer**

(a) **Shortfall**

Any Entitlement not taken up under the Rights Offer, and any New Shares to which Excluded Shareholders would have been entitled to if they were Eligible Shareholders, will comprise the Shortfall.

(b) **Offer**

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open until the Closing Date. The issue price for each New Share to be issued under the Shortfall Offer is \$0.25 per New Share, being the price at which the New Shares are being offered under the Rights Offer (**Shortfall Offer**).

Under the Shortfall Offer, Eligible Shareholders can apply for New Shares by completing the appropriate section on the Acceptance Form. There is no guarantee that Eligible Shareholders will receive the number of New Shares they apply for under the Shortfall Offer.

All New Shares issued pursuant to the Shortfall Offer will be issued as fully paid and will rank equally in all respects with the Existing Shares on issue. Further details of the rights and liabilities attaching to the New Shares are set out Section 6.

The Shortfall Offer is not underwritten.

The Company reserves the right to reject any Acceptance Form or to allocate any Eligible Shareholder fewer New Shares under the Shortfall than the number applied for.

The Company reserves the right to withdraw the Shortfall Offer at any time before New Shares are issued pursuant to it.

Please refer to Section 4 for details on how to apply for New Shares under the Shortfall Offer.

(c) **Allocation policy and scale back**

In the event that applications for New Shares under the Shortfall Offer exceed the total amount of the Shortfall, the Directors will have discretion as to how to allocate the Shortfall. In exercising this discretion:

- the Directors propose to allocate the Shortfall to both new Exempt Investors and Eligible Shareholders in a manner considered appropriate to applicants having regard to the best interests of the Company and the Company's desire to maximise the funds raised from the Offers;
- Eligible Shareholders are encouraged to apply for the Shortfall, but in allocating the Shortfall, preference will not necessarily be conferred on Eligible Shareholders;
- where the Directors consider it is in the best interests of the Company to allocate any portion of the Shortfall to a particular applicant or to particular applicants in order to maximise the total funds raised from the Offers, the Directors may do so. This may result in preference being given to an application from a new Exempt Investor who is not an Eligible Shareholder;
- subject to the above, to the extent that applications for the Shortfall are made by Eligible Shareholders, as between those Eligible Shareholders, the Directors will generally endeavour to allocate the Shortfall in a manner which is considered fair to those applicants, having regard to their existing shareholding interests;
- the Directors will not allocate any portion of the Shortfall to an applicant who is a 'related party' of the Company (for the purposes of the ASX Listing Rules) in priority to, or to the exclusion of, any other applicant;
- the Company will not allocate New Shares under the Shortfall Offer to the extent that an applicant's voting power in the Company, together with that applicant's Associates, exceeds the takeover thresholds in the Corporations Act (i.e., acquiring voting power of 20% or more in the Company, or increasing an existing controlling voting power of more than 20%), subject to certain exceptions permitted by law; and
- the Directors will not otherwise exercise their discretion regarding allocation of the Shortfall in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the ASX Listing Rules.

If an Eligible Shareholder does not receive any or all of the New Shares applied for, the excess Application Monies will be returned to them without interest.

### 2.3 **Lead Manager**

On 10 September 2020, the Company entered into a mandate with the Lead Manager (Townshend Capital Pty Ltd) pursuant to which the Lead Manager was appointed as lead manager to the Rights Offer (**Lead Manager Mandate**).

The Company has agreed to pay the Lead Manager a fee equal to 2% of the amount raised under the Offers (plus GST).

A summary of the terms and conditions of Lead Manager Mandate, including the circumstances in which the Lead Manager may terminate the mandate, is set out in Section 7.2.

Mr Benjamin Young, the sole director of the Lead Manager, is a former director of the Company. He was appointed on 23 November 2011 and resigned on 13 July 2020. Both Mr Young and the Lead Manager are therefore 'related parties' of the Company for the purposes of the ASX Listing Rules.

Mr Young has a 'relevant interest' (for the purposes of the Corporations Act) in:

- 370,575 Shares representing approximately 0.37% of the issued capital of the Company at the date of this Offer Document;
- 1,000,000 Options, each exercisable at \$0.37 on or before 30 September 2021; and
- 500,000 Options, each exercisable at \$0.46 on or before 30 November 2023.

For further details of the possible effect of the Offers on control of the Company, refer to Section 3.4.

## 2.4 Directors' interest and participation

The table below sets out the Directors' relevant interest in the securities of the Company as at the Offer Document Date and their Entitlements (subject to rounding). The Directors may accept all or part of their Entitlements under the Rights Offer.

| Name                             | Existing Shares | Existing Options | Entitlement under the Rights Offer | Amount (\$) |
|----------------------------------|-----------------|------------------|------------------------------------|-------------|
| Nicholas Zborowski <sup>1</sup>  | 1,633,450       | 2,000,000        | 272,241                            | 68,060      |
| Anthony Ho <sup>2</sup>          | 2,016,394       | 1,000,000        | 336,065                            | 84,016      |
| Jack Spencer-Cotton <sup>3</sup> | 1,208,060       | 1,000,000        | 201,343                            | 50,336      |

### Notes:

1. Mr Zborowski's current holdings are as follows:
  - (a) 1,543,450 Shares held directly by Mr Zborowski;
  - (b) 90,000 Shares held indirectly by Mr Zborowski through the N and A Z Superfund Account;
  - (c) 1,000,000 unquoted Options exercisable at \$0.37 each on or before 30 September 2021, held directly by Mr Zborowski; and
  - (d) 1,000,000 unquoted Options exercisable at \$0.46 each on or before 30 November 2023, held indirectly by Mr Zborowski through the N & A Trust Account.
2. Mr Ho's current holdings are as follows:
  - (a) 2,016,394 Shares held indirectly by Mr Ho through Hox5 Pty Ltd <A & K Ho Superannuation Fund>;
  - (b) 500,000 unquoted Options exercisable at \$0.37 each on or before 30 September 2021, held indirectly by Mr Ho through Sherkath Pty Ltd <Forrest Investment Trust>; and
  - (c) 500,000 unquoted Options exercisable at \$0.46 each on or before 30 November 2023, held indirectly by Mr Ho through Sherkath Pty Ltd <Forrest Investment Trust>.
3. Mr Spencer-Cotton's current holdings are as follows:
  - (a) 1,000,000 Shares held directly by Mr Spencer-Cotton;
  - (b) 208,060 Shares held indirectly by Mr Spencer-Cotton as a trustee on behalf of his children;
  - (c) 500,000 unquoted Options exercisable at \$0.37 each on or before 30 September 2021, directly by Mr Spencer-Cotton; and
  - (d) 500,000 unquoted Options exercisable at \$0.46 each on or before 30 November 2023, held directly by Mr Spencer-Cotton.

## 2.5 Acceptances

The Rights Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offers early.

## 2.6 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. An Eligible Shareholder cannot, in most circumstances, withdraw acceptance of their Entitlement.

## 2.7 Timetable

The indicative timetable for the Offers is set out in the Key Information section on page 1.

## 2.8 New Zealand resident Shareholders

The Rights Offer is made to Eligible Shareholders with an address in New Zealand, in reliance on the *Financial Markets Conduct Act 2013 (New Zealand)* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

The New Shares are not being offered or sold to the public within New Zealand other than to such Eligible Shareholders.

Neither this Offer Document nor either Offer has been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## 2.9 Excluded Shareholders

The Offers are not made to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Excluded Shareholders**).

Neither the Offer Document nor the Acceptance Form constitutes an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In making the decision to not extend the Offers to Excluded Shareholders, the Company has taken into account:

- the small number Shareholders outside Australia and New Zealand;
- the number and value of New Shares that would be offered to Shareholders outside Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Rights Offer is made to all Eligible Shareholders. The Company is not required to determine whether or not any registered Eligible Shareholder holds Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares.

Any Eligible Shareholders who hold Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that any dealing with New Shares issued under the Rights Offer do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Offer Document or the Acceptance Form.

The distribution of this Offer Document and accompanying Acceptance Form (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## 2.10 **Nominees, custodians and trustees**

Persons acting as nominees, trustees, or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Offers to, any person in any jurisdiction where it is unlawful to do so, or to any person that is acting for the account or benefit of a person in any jurisdiction where it is unlawful to do so. By applying for New Shares under this Offer Document, including by submitting an Acceptance Form or making a payment using BPAY®, a nominee, trustee or custodian represents and warrants this is the case.

The Company is not required to determine whether or not a registered holder or investor is acting as a nominee, trustee or custodian or the identity or residence of any beneficial holder of Shares.

Where any person is acting as a nominee, trustee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in an Offer by the beneficiary complies with applicable laws.

## 2.11 **Option Holders**

Under the terms of the Options on issue, there is no entitlement to participate in either Offer unless Option Holders exercise their Options and are entered into the register as an Eligible shareholder on or before the Record Date.

If an Option Holder wishes to participate in an Offer, it will be necessary for the Option Holder to exercise all or part of their Options in accordance with the terms and conditions of those Options, and the Shares in respect of those Options must have been issued on or before the Record Date.



### 3. Effect of the Offers

#### 3.1 Effect on capital structure

The table below sets out the potential effect of the Offers on Mustera's capital structure, assuming no further Shares are issued (including on the exercise of Options) prior to the close of the Offers.

| Security type                                       | Number                 | Percentage of total |
|---|------------------------|---------------------|
| <b>Shares</b>                                       |                        |                     |
| Shares currently on issue                           | 99,625,115             | 85.71%              |
| Maximum New Shares offered under Offers             | 16,604,185             | 14.29%              |
| <b>Total Shares after completion of the Offers</b>  | <b>116,229,300</b>     | <b>100.00%</b>      |
| <b>Options</b>                                      |                        |                     |
| Options currently on issue                          | 5,500,000 <sup>1</sup> | 100.00%             |
| Option offered under Offers                         | Nil                    | -                   |
| <b>Total Options after completion of the Offers</b> | <b>5,500,000</b>       | <b>100.00%</b>      |

**Notes:**

- Unquoted options comprising of 3,000,000 Options exercisable at \$0.37 each on or before 30 September 2021 and 2,500,000 Options exercisable at \$0.46 each on or before 30 November 2023. The terms and conditions of these classes of Options can be found in the Company's Notices of Annual General Meeting announced on 19 September 2016 and 26 October 2018.
- The table above assumes full subscription under the Rights Offer.

#### 3.2 Details of substantial Shareholders

Based on available information as at Offer Document Date, those persons who, together with their Associates, have a voting power of 5% or more of the Shares on issue are set out below:

| Name                    | Existing holding of Shares | Current voting power (%) | Maximum potential holding after Offers (Shares) | Maximum potential voting power after Offers |
|-------------------------|----------------------------|--------------------------|---|---|
| Wonder Holdings Pty Ltd | 28,397,541                 | 28.50%                   | 33,130,464                                      | 28.50%                                      |
| Anrinza Future Pty Ltd  | 27,221,312                 | 27.32%                   | 31,758,197                                      | 27.32%                                      |
| QP & Co Pty Ltd         | 9,265,667                  | 9.30%                    | 10,809,944                                      | 9.30%                                       |

**Notes:**

- The maximum potential holding of Shares and voting power in the table above are estimates only, based on the Directors' allocation policy in Section 2.2(c) and having regard to the restrictions on increasing voting power under section 606 of the Corporations Act.
- The substantial Shareholders that have a voting power above 20% are restricted from participating in the Shortfall Offer by section 606 of the Corporations Act to the extent that their holding increases.

In the event that all Entitlements are accepted, there will be no change to the relevant interests of the substantial Shareholders on completion of the Rights Offer.

The Directors do not propose to accept any applications under the Shortfall Offer by substantial Shareholders that have a voting power above 20% but reserve the right to do so to the extent permitted by the Corporations Act. In any event, such Shareholders are subject to certain restrictions under section 606 of the Corporations Act which would limit their ability to participate in the Shortfall Offer.

At the Offer Document Date, the Directors are not aware of any substantial Shareholder's intention to participate in either Offer. Based on the information known to the Directors at the Offer Document Date, the Directors do not consider that there will be any material change in the control of the Company as a result of the Offers.

### 3.3 **Dilution**

Eligible Shareholders should note that if they do not participate in the Rights Offer, their holdings may be diluted by up to approximately 14.29% as a result of the Offers compared to their holdings and number of Shares on issue as at the Offer Document Date. The dilutive effect of the Offers will ultimately depend upon the level of subscription.

### 3.4 **Effect of the Offers on control of the Company**

#### (a) **General**

The maximum total number of New Shares proposed to be issued under the Offers is 16,604,185 which will constitute 14.29% of the Shares on issue following completion of the Offers (assuming no other Shares are issued prior to the Record Date).

The potential effect of the Offers on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including investor demand and Existing Shareholdings.

If all Eligible Shareholders take up their Entitlement, each Eligible Shareholder's percentage in the total issued Shares of the Company will not be diluted and will remain the same.

In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (i.e. there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Offer and Excluded Shareholders unable to participate in the Rights Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement.

The Directors do not consider that the Offers will have any material impact on the control of the Company. Other than the information set out in Section 3.2, no person would increase their voting power above 20% as a result of acceptance of an Entitlement. In respect of any Shortfall, New Shares will only be issued to an applicant where the Directors are satisfied that the issue of the New Shares will not result in a person's and their Associates' voting power increasing above 20%, or increasing from a starting point which is already above 20%. Notwithstanding, the Directors reserve the right to rely on any relevant exception to the takeover restriction in the Corporations Act.

#### (b) **Substantial Shareholders**

The substantial Shareholders of the Company and their respective voting powers are noted in Section 3.2.

The voting powers of these substantial Shareholders are not expected to increase as a result of the Offers. While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which Eligible Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of New Shares under the Offers on control of the Company will be minimal.

Furthermore, the Directors do not propose to accept any applications by any of these substantial Shareholders under the Shortfall Offer.

### 3.5 **Effect on financial position**

The Company will raise up to \$4,151,046 (before costs) from the Offers.

The principal effect of the Offers will be to increase the Company's cash at hand by up to \$4,151,046 (before costs of the Offers).

### 3.6 **Effects of the Offers on activities**

The issue of New Shares under the Offers will provide funds for the purposes set out in Section 1.2.

Following the Offers, the Company intends to continue to operate and develop its business activities and the Forbes Residences Project as described in Section 1.2.

### 3.7 **Market prices of existing Shares on ASX**

The highest and lowest market sale price of Shares, which are on the same terms and conditions as the New Shares being offered under this Offer Document, during the 3 months immediately preceding the lodgement of this Offer Document with ASX, and the last market sale price of the Shares on ASX prior to the lodgement date of this Offer Document, are set out below.

|            | <b>3 month high</b> | <b>3 month low</b> | <b>Last market sale price</b> |
|------------|---------------------|--------------------|-------------------------------|
| Price (\$) | \$0.27              | \$0.25             | \$0.25                        |
| Date       | 1 September 2020    | 3 September 2020   | 10 September 2020             |

## 4. Accepting the Offers

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### 4.1 Action in relation to the Offers

The number of New Shares to which each Eligible Shareholder is entitled is shown on the personalised Acceptance Form accompanying this Offer Document.

An Eligible Shareholder may do any of the following:

- accept their Entitlement in full;
- accept their Entitlement in full and apply for New Shares under the Shortfall Offer;
- accept part of their Entitlement and allow the balance to lapse; or
- allow all of their Entitlement to lapse.

### 4.2 Accepting Entitlements in full or in part

To accept Entitlement in full or in part, an Eligible Shareholder may either:

- complete the Acceptance Form for the number of New Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the form, and return the completed form together with a cheque or money order for the Application Monies to the Share Registry; or
- make a payment through the BPAY® facility for the number of New Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the Acceptance.

Importantly, due to the COVID-19 pandemic, the Company encourages Eligible Shareholders to use BPAY® to enable contactless payments and processing of applications.

### 4.3 Accepting Entitlements in full and applying for New Shares under the Shortfall Offer

Eligible Shareholders who wish to accept their Entitlement in full and apply for New Shares under the Shortfall Offer may either:

- complete the Acceptance Form for all of their Entitlement **and** specify on that form the number of New Shares that the Eligible Shareholder wishes to apply for under the Shortfall Offer in accordance with the instructions on the form, and return the completed form together with a cheque or money order for the Application Monies to the Share Registry –see Section 4.6); or
- make a payment through the BPAY® facility for all of their Entitlement and the number of New Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the Acceptance Form – see Section 4.5.

The allocation and issue of New Shares under the Shortfall Offer will be determined by the Directors in their discretion. The allocation policy in relation to the Shortfall Offer is set out in Section 2.2(c).

### 4.4 Entitlements not taken up

Eligible Shareholders who do not wish to accept any of their Entitlement are not required to take any action.

If an Eligible Shareholder does not accept all of their Entitlement, then:

- the balance of those Entitlement will lapse and the New Shares that are not subscribed for will form part of the Shortfall; and
- their percentage shareholding in the Company will be diluted and reduce.

#### 4.5 Acceptance by BPAY®

Eligible Shareholders who wish to accept their Entitlement, or accept their Entitlement and apply for New Shares under the Shortfall, using BPAY® should follow the instructions on the Acceptance Form which includes including the 'Biller Code' and the Eligible Shareholder's individual 'Customer Reference Number'. Eligible Shareholders do not need to return the Acceptance Form if they pay using BPAY®.

Eligible Shareholders can only make payment using BPAY® if they have an account with an Australian financial institution that supports such transactions.

Eligible Shareholders must ensure to use the specific 'Biller Code' and 'Customer Reference Number' on their individual Acceptance Form. A form may not be accepted if these details are incorrect. The 'Customer Reference Number' is used to identify each Eligible Shareholder's holding.

Eligible Shareholders with more than one holding of Shares may receive multiple 'Customer Reference Numbers'. Such Eligible Shareholders can apply under one or more of their holdings using their unique reference number applicable to that holding.

Payments must be made in Australian dollars for an amount equal to the number of New Shares for which the Eligible Shareholder wishes to apply, multiplied by the Offer Price (i.e. \$0.25 per New Share).

If BPAY® is used, an Acceptance Form **does not** need to be submitted to the Company. However, by paying Application Moneys, the Eligible Shareholder will be taken to have made the declarations on the Acceptance Form. If payment is not received for the full Entitlement, an Eligible Shareholder will be deemed to have taken up their Entitlement in respect of such whole number of New Shares that is covered by their Application Moneys.

BPAY® payments of Application Moneys must be received before **5:00pm (WST) on the Closing Date**.

Eligible Shareholders should take into account, when applying for New Shares, that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Eligible Shareholder's responsibility to ensure that the Application Moneys are received before the Closing Date.

#### 4.6 Lodging your Acceptance Form in person or by post

Unless payment is made using BPAY® as outlined above, a completed Acceptance Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares for which the Eligible Shareholder wishes to apply, multiplied by the Offer Price, being \$0.25 per New Share.

Cheques or money orders must be made payable to "Mustera Property Group Ltd" and should be marked "Not Negotiable".

Completed Acceptance Forms and accompanying cheques or money orders must be received by the Company before **5:00pm (WST) on the Closing Date** at either of the following addresses:

| Delivery   | Post  |
|--|---|
| Mustera Property Group Ltd<br>c/-Advanced Share Registry Limited<br>110 Stirling Highway<br>Nedlands WA 6009 | Mustera Property Group Ltd<br>c/-Advanced Share Registry Limited<br>PO Box 1156<br>Nedlands WA 6909 |

An Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the Acceptance Form is not completed correctly it may still be treated as valid. The Company's decision as to whether to treat a form as valid and how to construe, amend or complete the form is final.

**4.7 Application Monies to be held on trust**

Application Monies will be held by the Company in trust in accordance with the requirements of the Corporations Act until the New Shares to which the Application Monies pertain are issued under an Offer, or a refund of Application Monies occurs in the circumstances described in this Offer Document.

The Company will retain any interest earned on Application Monies, including in the event of any refund of Application Monies.

**4.8 ASX quotation of New Shares**

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

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

**4.9 No brokerage**

Brokerage or transfer/stamp duty is not payable in relation to the Offers.

**4.10 CHESS**

Mustera participates in CHESS operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

Under CHESS, the Company will not issue certificates to Eligible Shareholder who accept their Entitlement. Instead, the Company will provide Eligible Shareholder with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted to them under this Offer Document.

This statement also advises Shareholders of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time. However, a charge may be incurred for additional statements.

## 5. Risk Factors

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### 5.1 Introduction

Investors wishing to subscribe for New Shares should read this Offer Document in its entirety in order to make an informed assessment of the effect of the issue of New Shares on the Company and the rights and liabilities attaching to New Shares.

Investors should carefully consider whether New Shares in the Company are an appropriate investment for them and should appreciate that the price of the Company's Securities can fall as well as rise.

New Shares offered by this Offer Document should be viewed as speculative and, whilst the Directors commend the Offers, investors should be aware of, and take into account, the risk factors involved.

This Section 5 is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether or not to subscribe for New Shares, nor all of the risk factors to which the Company is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. All investors should consult their professional advisers if they are in any doubt as to any aspect of this Offer Document, the Offers or any other matter relating to an investment in the Company.

### 5.2 Company and industry specific risks

The following risks have been identified as being key risks specific to an investment in the Company and the industry in which it operates. These risks have the potential to have a significant adverse impact on Mustera and may affect the Company's financial position, prospects and price of its listed Securities.

#### (a) Coronavirus (COVID-19) pandemic

The Australian and other global economies are currently affected by the impact of government policies in response to the COVID-19 pandemic. These government policies, including quarantining and travel bans, have impacted business activities globally and domestically. Any further measures to limit the transmission of the virus, such as mandatory quarantining, may adversely impact the Company's operations.

In addition, the outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

Given the extraordinary circumstances presented by the COVID-19 pandemic and uncertainty of the Company's operating environment, the impact on the Company's business is difficult to predict at this stage.

#### (b) Property valuations

Valuations ascribed to property will be influenced by a number of ongoing factors including:

- changes in market rental rates;
- fluctuating occupancy levels;
- a downturn in the property market in general;
- pricing of any competing properties;
- tenants defaulting;

- increased competition from new or existing properties;
- volatile increases in supply or falls in demand for property, exacerbated by the ongoing COVID-19 pandemic; and
- general economic conditions, such as interest rates and capitalisation rates.

The value of, and returns from, properties owned by the Company may fluctuate depending on property market conditions. Demand for property may change as investor preferences for particular sectors and asset classes change over time and can be influenced by general economic factors such as interest rates and share market cycles.

Property values may fall, and they may fall quickly, if the underlying assumptions on which the property valuations are based differ in the future. As changes in valuations of the properties are recorded in the Company's income statement, any decreases in value will have a negative impact on the income statement.

Any property valuation reflects the valuer's assessment of the value of the property as at the date of valuation. The valuation is subject to a number of assumptions which may not be accurate. Valuations may differ depending on the valuer appointed. A valuation may not reflect the actual price that would be realised if a property were to be sold.

(c) **Rental income**

Earnings made by Mustera will be dependent upon the rents received from its property portfolio, occupancy levels and the level of non-recoverable outgoings. Rental income may be adversely affected by a number of factors, including:

- overall macroeconomic conditions which may give rise to fluctuations in property market conditions;
- local real estate conditions;
- competition from other property owners;
- the financial condition of tenants;
- rental arrears and vacancy periods;
- incentives offered to attract prospective tenants;
- expenses associated with re-leasing tenancies; and
- external factors including significant security incidents, acts of God or a major world event.

All of the above factors may affect the earnings of the Company and the market price of the Company's Shares.

(d) **Development risk**

Part of Mustera's business is to identify, analyse and invest in development projects which have a number of inherent risks in addition to those associated with real estate generally, including:

- a risk that appropriate planning consents are not obtained or, if obtained, are not properly adhered to;
- a risk that development costs escalate beyond those originally anticipated;
- a risk of project delays due to factors beyond the control of Mustera;



- a risk that any property development manager and/or subcontractor appointed to implement a development project does not perform their role to a satisfactory standard or acts or fails to act in breach of contract;
- a risk that competing property development projects adversely affect the overall return achieved by a property development project undertaken by Mustera because they provide competitive alternatives for potential purchasers and potential lessees;
- a risk that warranty claims arise subsequent to a development that the Company may be liable for;
- a risk that the property does not sell; and
- a risk that market conditions change during any development.

Although some of these risks can be mitigated, it is not possible to remove entirely the risks inherent in project development. All of the above factors may affect the earnings of the Company and the market price of the Company's Shares.

(e) **Re-leasing and vacancy**

There is a risk that Mustera may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on the same terms (if at all).

The Company's rental income may also be negatively impacted by any increases in amounts not recoverable from tenants that might be incurred by the Company.

(f) **Funding**

Mustera relies on external funding sources (debt and equity funding) for its property portfolio. The Company's ability to raise capital from either debt or equity markets on favourable terms for future activities cannot be guaranteed and is dependent on a number of factors, including:

- the general economic climate;
- the state of debt and equity capital markets; and
- the performance, reputation and financial strength of the Company.

In relation to debt funding of the development projects, the Company will be required to achieve a minimum level of committed sales as one of the conditions of the funding. In the event such a condition is not satisfied, the Company may not be able to source debt funding and the value in the development project may be impaired.

(g) **Inability to complete disposal or acquisitions**

There is a risk that the Company will be unable to dispose of and/or acquire properties on appropriate terms, thereby potentially limiting the growth potential of the Company. The Company's failure to deliver or effectively execute its stated strategy including its acquisition and/or disposal of properties or its failure to redefine its strategy to meet changing conditions could result in a decline in the price of Shares. Mustera will endeavour to do all reasonable and necessary due diligence on properties it is intending to acquire, however there is a risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale and purchase agreements for those acquisitions. If an unforeseen liability arises in respect of which the purchaser is not able to be indemnified, this may adversely impact the Company. There can be no assurance that any future acquisitions and/or disposals will enhance the investment returns of Shareholders.

**(h) Capital expenditure requirements**

While the Company intends to undertake reasonable due diligence investigations prior to acquiring properties, there can be no assurance that any properties acquired will not have defects or deficiencies, or that unforeseen capital expenditure or other costs will not arise. An increase in capital expenditure may require additional funding, or sales of existing properties or assets, which may impact future performance.

**(i) Environmental issues and contaminations**

As with any property, there is a risk that a property may be contaminated now or in the future. Government environmental authorities may require such contamination to be remedied. There is always a residual risk that Mustera may be required to undertake any such remediation at its own cost. Such an event would adversely impact Mustera's financial performance.

In addition, environmental laws impose penalties for environmental damage and contamination, which can be material in size. Exposure to hazardous substance at a property could result in personal injury claims. Such a claim could prove greater than the value of the contaminated property.

Due to the time period in which some of the Company's existing investment properties were originally constructed, there is the chance that hazardous materials such as asbestos may be contained within certain areas. There is a risk that these materials will need to be removed in the future as opposed to being monitored and contained. This may increase the capital expenditure requirements of Mustera and potentially adversely affect the Company's financial performance. An environmental issue may also result in interruptions to the operations of any property owned by the Company, including loss as a result of closure. Any consequential loss of rental income may not be recoverable.

Mustera and the operations of tenants in the Company's properties are subject to government environmental legislation. While environmental issues are continually monitored, there is no assurance that the Company's operations or those of a tenant will not be affected by an environmental incident or subject to environmental liabilities.

**(j) Occupational health and safety**

There is a risk that liability arising from occupational health and safety matters at a property owned by the Company may be attributable to Mustera as the landlord instead of, or as well as, the tenant. To the extent that any liabilities may be borne by Mustera, this may impact the financial position and performance of Mustera (to the extent not covered by insurance). In addition, penalties may be imposed upon Mustera, which may have an adverse impact on Mustera.

**5.3 General investment risks**

The business activities of the Company are subject to various general economic and investment risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

**(a) Future capital requirements**

The Company's ongoing activities are likely to require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Prices or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, there cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and which may result in a material adverse effect on the Company's activities and its ability to continue as a going concern.

**(b) Liquidity & volatility**

There is a risk that, particularly in times of security market turbulence or negative investor sentiment, there will not be a highly liquid market for the Company's Shares or that the price of the Company's Shares may decrease considerably. There may be relatively few buyers or sellers of Securities on ASX at any given time and the market price may be highly volatile.

This may result in holders wishing to sell their Shares in the Company in circumstances where they may receive considerably less than the price paid under an Offer (where applicable).

**(c) General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Securities prices can be affected by these factors, all of which are beyond the control of the Company and its Directors.

**(d) Equity market conditions**

Shares listed on a securities market, and in particular shares of small companies at any early stage of commercial development, can experience extreme price and volume fluctuations that are often been unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Shares regardless of the Company's operating performance.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

**(e) General changes in government policy & legislation**

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Company, and consequent returns to investors.

**(f) Investment risk**

The New Shares offered pursuant to this Offer Document should be considered speculative due to the nature of the Company's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of New Shares. In particular, the price at which an investor may be able to trade New Shares may be above or below the price paid for those New Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate having regard to their own particular circumstances.

**(g) Dilution**

Investors may be diluted by future capital raisings by Mustera. Shares may be issued to finance future acquisitions, supplement working capital or pay down debt which may, under certain circumstances, dilute the value of Shareholders' interests. Where possible, Mustera will endeavour to ensure when raising equity that the benefit to investors of acquiring the relevant assets or reducing gearing is greater than the impact caused by the dilution associated with a capital raising.

(h) **Insurance**

Mustera maintains insurance which it believes to be consistent with industry practice and adequate having regard to its business strategy. However, no assurance can be given that Mustera will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate. Insurance in relation to Mustera's assets may not cover all events or all claims made. Further, appropriate cover for terrorism and other uninsurable risks may not be available, or the cover that is available may not be adequate or commercially viable.

(i) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

## 6. Rights and Liabilities Attaching to New Shares

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The Shares issued under this Offer Document will be fully paid ordinary shares in the capital of Mustera and will rank equally with the Existing Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution of the Company and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

- (a) **Share capital:** All issued Shares rank equally in all respects.
- (b) **Voting rights:** At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share (i.e. partly paid) held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.
- (c) **Dividend rights:** Subject to the Corporations Act, the ASX Listing Rules and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such shares in proportion to the amount of capital paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, unless the share is issued on terms providing to the contrary.
- (d) **Payment of dividends:** Dividends are payable out of the profits of the Company in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of the Company.
- (e) **Rights on winding-up:** Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of the Company, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- (f) **Transfer of Shares:** Subject to the Constitution and the Corporations Act, Shares in the Company may be transferred by an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.
- (g) **Refusal to transfer Shares:** The Directors may refuse to register a transfer of Shares only where:
  - (i) the law permits it;
  - (ii) the law requires it; or
  - (iii) the transfer is a transfer of restricted securities (as defined in ASX Listing Rule 19.12) which is, or might be, in breach of the ASX Listing Rules or any escrow agreement entered into by the Company in respect of those restricted securities.
- (h) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the ASX Listing Rules:
  - (i) Shares in the Company are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and
  - (ii) the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration.

- (i) **Variation of rights attaching to shares:** The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.
- (j) **General meeting:** Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

## 7. Additional Information

### 7.1 Continuous disclosure obligations

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a company listed on ASX, the Company is subject to the Chapter 6CA of the Corporations Act and the ASX Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Eligible Shareholders should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for New Shares under this Offer Document.

Copies of documents lodged with ASX in relation to the Company (including its corporate governance policies) may be obtained from the Company’s website: <https://www.mustera.com.au/> or at the ASX market announcements platform using the Company’s ASX code ‘MPX’.

The Company has lodged the following announcements with ASX since its 2020 annual financial report was lodged with ASX on 31 August 2020.

| Date           | Description of Announcement                    |
|----------------|--|
| 31 August 2020 | Appendix 4E and Annual Report to Shareholders  |
| 31 August 2020 | Corporate Governance Statement and Appendix 4G |

### 7.2 Summary of Lead Manager Mandate

The Company and the Lead Manager have entered into the Lead Manager Mandate under which the Lead Manager was appointed to act as lead manager to the Rights Offer.

The material terms of the Lead Manager Mandate are as follows:

| Subject   | Provision   |
|---|---|
| <b>Management of the Rights Offer</b>                           | The Lead Manager will facilitate the raising of funds under the Rights Offer on a “best endeavours” basis.  |
| <b>Fees and reimbursement</b>                                   | The Company will pay the Lead Manager a fee equal to 2% of the total amount of the funds raised under the Offers plus GST.<br>The Company will reimburse the Lead Manager for all reasonable out-of-pocket expenses incurred in the course of fulfilling its obligation under the mandate.  |
| <b>Termination of mandate</b>                                   | Either party may give written notice to the other to terminate the mandate on a 30-day prior notice to the other, unless one party is in material breach of the mandate, in which case the non-defaulting party may terminate immediately if such breach is not remedied within 10 business days of the defaulting party receiving written notice to do so. |
| <b>Entitlement to fees on discontinuance of capital raising</b> | No fees shall be payable to the Lead Manager in the event that the mandate is terminated before the Company issues the New Shares under the Rights Offer.<br>Out-of-pockets expenses incurred by the Lead Manager prior to the termination are still payable by the Company to the Lead Manager.  |

| Subject          | Provision   |
|------------------|---|
| <b>Indemnity</b> | Each party indemnifies the other in relation to any negligent act or omission in respect of the mandate, any breach of the mandate, any material non-compliance with any law, any review of ASIC or ASX in relation to non-compliance with any law or regulation, or investigating, defending or settling an actual or potential claim in relation to the aforementioned matters. |

The mandate otherwise contains terms and conditions considered standard for agreements of this nature.

### 7.3 Expenses of the Offers

The table below sets out the estimated expenses of the Offers (exclusive of any GST payable by the Company), assuming full subscription.

| Expense   | Amount (\$)    |
|---|----------------|
| ASX Fees  | 13,149         |
| Lead Manager's fees                                     | 83,021         |
| Legal fees  | 6,000          |
| Promotion, printing, distribution and registry expenses | 5,000          |
| Miscellaneous fees                                      | 22,830         |
| <b>TOTAL</b>  | <b>130,000</b> |

### 7.4 Remuneration of Directors

The Company's Constitution provides that the Directors may be paid for their services as Directors.

The Constitution also provides that non-executive Directors may collectively be paid, as remuneration for their services, a fixed sum not exceeding the aggregate maximum set by Shareholders in general meeting. As at the Offer Document Date, the aggregate maximum has been set at \$300,000 per annum.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity as Director of the Company.

| Director/former Director | Remuneration for the year ended 30 June 2020<br>(\$) | Remuneration for the year ended 30 June 2019<br>(\$) |
|--------------------------|--|--|
| Nicholas Zborowski       | 203,094  | 220,272  |
| Anthony Ho               | 20,000   | 30,547   |
| Jack Spencer-Cotton      | 21,900   | 32,447   |
| Benjamin Young           | 21,900   | 32,447   |



**Notes:**

1. Remuneration for Mr Zborowski, Mr Spencer-Cotton and Mr Young are inclusive of statutory superannuation.
2. Remuneration for Mr Ho is exclusive of statutory superannuation.
3. Mr Benjamin Young resigned as a Director on 13 July 2020.

None of the Directors have a future entitlement to any further non-cash remuneration as at the Offer Document Date.

**7.5 Legal proceedings**

As at the Offer Document Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

## 8. Glossary

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### 8.1 Defined terms

In this Offer Document, the following terms have the following meanings:

|                               |  |
|-------------------------------|--|
| <b>Acceptance</b>             | A valid acceptance of an Entitlement and application for New Shares by an Eligible Shareholder.  |
| <b>Acceptance Form</b>        | The entitlement and acceptance form accompanying this Offer Document.  |
| <b>Application Monies</b>     | The monies payable by Eligible Shareholders who apply for New Shares under one or more Offers.   |
| <b>ASIC</b>                   | The Australian Securities & Investments Commission.  |
| <b>Associate</b>              | Has the meaning given to that term in sections 10 to 17 of the Corporations Act.   |
| <b>ASX</b>                    | ASX Limited (ACN 008 624 691), including the financial market operated by it as the Australian Securities Exchange.  |
| <b>ASX Listing Rules</b>      | The listing rules of ASX.  |
| <b>ASX Settlement</b>         | ASX Settlement Pty Ltd (ACN 008 504 532).  |
| <b>ASX Settlement Rules</b>   | The ASX Settlement Operating Rules.  |
| <b>Board</b>                  | The Company's Board of Directors.  |
| <b>Business Day</b>           | A day: <ul style="list-style-type: none"> <li>(a) that is a business day as defined in the ASX Listing Rules; and</li> <li>(b) which is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.</li> </ul> |
| <b>CHESS</b>                  | Clearing House Electronic Sub-register System operated by ASX Settlement.  |
| <b>Closing Date</b>           | The closing date of the Offers, being 5:00pm (WST) on Monday, 5 October 2020.  |
| <b>Company</b>                | Mustera Property Group Ltd (ACN 142 375 522).  |
| <b>Constitution</b>           | The constitution of the Company.   |
| <b>Corporations Act</b>       | The <i>Corporations Act 2001</i> (Cth).  |
| <b>Director</b>               | A director of the Company as at the Offer Document Date.   |
| <b>Eligible Jurisdictions</b> | Australia and New Zealand.   |

|                                  |   |
|----------------------------------|---|
| <b>Eligible Shareholder</b>      | A Shareholder who is: <ul style="list-style-type: none"> <li>(a) a registered holder of Shares on the Record Date;</li> <li>(b) has a registered address in Australia or New Zealand as shown in the Share Registry;</li> <li>(c) not in the United States or a US Person or acting for the account of or benefit of a US Person; and</li> <li>(d) eligible under all applicable securities laws to receive an offer under the Offers.</li> </ul> |
| <b>Entitlement</b>               | The number of New Shares for which an Eligible Shareholder is entitled to apply under the Rights Offer, as determined by the number of Shares held by that Shareholder at the Record Date.  |
| <b>Excluded Shareholder</b>      | A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction.   |
| <b>Exempt Investor</b>           | An investor under section 708 of the Corporations Act to whom Securities may be offered without a prospectus or other disclosure document.  |
| <b>Existing Share</b>            | A share issued before the Offer Document Date.  |
| <b>Existing Shareholder</b>      | A holder of an Existing Share.  |
| <b>Forbes Residences Project</b> | The Forbes Residences mixed residential apartment and commercial premises development project being conducted by Mustera on the land at the corner of Forbes and Kishorn Roads in Applecross, Western Australia.  |
| <b>GST</b>                       | Goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).  |
| <b>Holding Statement</b>         | A holding statement for Securities under CHESS or Security Holder Reference Number.   |
| <b>Lead Manager</b>              | Townshend Capital Pty Ltd (ACN 099 900 188), AFSL No. 219326.   |
| <b>Lead Manager Mandate</b>      | The mandate dated 10 September 2020 between the Company and the Lead Manager.   |
| <b>New Shares</b>                | The Shares that may be issued under this Offer Document pursuant to an Offer.   |
| <b>Offer Document</b>            | This offer document dated 10 September 2020, including any electronic or online version of this offer document.   |
| <b>Offer Document Date</b>       | The date of this Offer Document, being 10 September 2020.   |
| <b>Offer Period</b>              | The period commencing on the Opening Date and ending on the Closing Date.   |
| <b>Offer Price</b>               | The price at which a New Share is offered to Eligible Shareholders under an Offer, being \$0.25 per New Share.  |
| <b>Offers</b>                    | The Rights Offer and the Shortfall Offer, or either one of those offers as the context requires.  |
| <b>Opening Date</b>              | The opening date of the Offers, being Monday, 21 September 2020.  |

|                        |  |
|------------------------|--|
| <b>Option</b>          | An option to subscribe for a Share.  |
| <b>Privacy Act</b>     | The <i>Privacy Act 1988</i> (Cth).   |
| <b>Record Date</b>     | The date at which eligibility of Shareholders to participate in the Offers is determined, being 5:00pm (WST) on Wednesday, 16 September 2020 or such other date as may be determined by the Directors, subject to the ASX Listing Rules.                                 |
| <b>Rights Offer</b>    | A non-renounceable pro-rata rights offer to Eligible Shareholders under this Offer Document to subscribe for 1 New Share for every 6 Shares held at the Record Date, at an issue price of \$0.25 per New Share, to raise up to approximately \$4,151,046 (before costs). |
| <b>Section</b>         | A section of this Offer Document.  |
| <b>Securities</b>      | Has the meaning given to that term in section 92(4) of the Corporations Act, including a Share and an Option.  |
| <b>Share</b>           | A fully paid ordinary share in the capital of the Company.   |
| <b>Share Registry</b>  | The Company's share registry, Advanced Share Registry Ltd (ACN 127 175 946).   |
| <b>Shareholder</b>     | The holder of a Share.   |
| <b>Shortfall</b>       | The New Shares offered under the Rights Offer for which valid Acceptances are not received from Eligible Shareholders before the Closing Date.   |
| <b>Shortfall Offer</b> | An offer under this Offer Document to Eligible Shareholders to subscribe for the New Shares which comprise the Shortfall at an issue price of \$0.25 per New Share.  |
| <b>WST</b>             | Australian Western Standard Time, being the time in Perth, Western Australia.  |