

JIMMY CROW LIMITED
ACN 010 547 912
SUPPLEMENTARY PROSPECTUS

1 IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 27 July 2017 (**Prospectus**) issued by Jimmy Crow Limited (**Company**).

This Supplementary Prospectus is dated 11 August 2017 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. ASIC, the NSX and their respective officers do not take any responsibility as to the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at <http://www.jimmycrow.com.au/>.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

The Directors consider the content of this Supplementary Prospectus is not materially adverse from the point of view of an investor.

2 SECTION 4 OF THE PROSPECTUS - INVESTMENT OVERVIEW

Section 4 of the Prospectus states that a benefit of investing in the Company is the good opportunities to continue development of existing facilities and to expend tourism activities in other locations.

The Company has considerable valuable land that is centrally located at Airlie Beach. Because of the particular central commercial zoning of the land, development approvals, other than building permits, are not required for many uses.

The Company is currently considering three relatively low cost development projects on the land, and which have a long term revenue earning potential. One involves introducing a toll for parking on car park portion of the land. Centrally located parking is in short supply and diminishing in Airlie Beach. The area is sufficient to park up to 200 cars with an estimated capital expenditure of up to \$600,000 required.

As the Company has previously not earned income from parking, the Directors do not consider that there is a reasonable basis to forecast the potential revenue from the project.

The second project is constructing a water and active sport facility in a central location adjacent to existing hotel and entertainment areas on the Company's land. This proposal involves various stakeholders. A feasibility study has been prepared, which estimates that the capital cost will be approximately \$500,000. The facility will potentially generate income through per person charges to use the facility and through leasing and/or operating a dive school from the facility. It is also likely to increase patronage to Magnums Backpackers. Given the early stage of feasibility assessment of the project, the Directors do not consider that there is a reasonable basis to provide forecasts of the potential revenue or profit from the project.

Both prospective developments have the potential to generate long term revenue, and the only approvals required are building approvals.

The third project is the construction of several levels of apartments / hotel rooms on top of the Magnums Hotel in airspace contained in Lot 51 which is owned by the Company. Improved market conditions for main street accommodation in the last two years warrant consideration of developing this portion of the property, for which foundations were constructed several years earlier. This development is "as of right" within certain height levels. Taking into account the preliminary nature of the proposal, the Directors do not consider that there is a reasonable basis to forecast the potential revenue or development profit from the project.

As set out in the Company's historical accounts (table A appearing on page 28 of the Prospectus), the Company has property, plant and equipment assets with a value as at 31 December 2016 of \$4,848,344. These assets are unencumbered and available as security should the Company wish to borrow funds to pursue its activities.

Whether the Company will proceed with some or all of the above projects depends, amongst other things, on the amount raised under the Offer, although the Company has borrowing capacity and, in the case of the second and third projects, would first undertake further feasibility studies.

In addition to the above projects, the Company has also identified other potential investments in the tourism sector, both in the Airlie Beach area and South West Victoria, where Michael Hackett and Nathan Leman, through their involvement in Australian Dairy Farms Group (AHF), have become aware of various tourism related opportunities. Given the embryonic stage of these potential investments, the Directors do not consider that information regarding these investments is information that should be presented to investors and their advisors.

There is a risk that the Company may not proceed with any of the above projects. This is particularly the case for the water and active sport facility and additions to the Magnums Hotel, as these remain subject to further feasibility studies. Furthermore, there are risks with developing the projects, including delays and cost

overruns, less than expected revenue, and opportunity costs. The Board will seek to mitigate these risks through completing sufficient feasibility studies, ensuring that the Company is properly funded (debt or equity), and having appropriate cost overrun mitigation strategies in place (such as where possible fixed price building contracts).

3 SECTION 5 OF THE PROSPECTUS - COMPANY AND BUSINESS OVERVIEW

Following the Demerger the Group will continue to operate its tourism and property development activities. However and as set out in section 5.1 of the Prospectus, the Demerger and listing on NSX will give the Group the opportunity to do so with a renewed focus and as a platform to pursue the projects set out in section 2 above and new projects that may present to the Company.

4 FINANCIAL INFORMATION

Jimmy Crow has been operating since the mid 1980's. During this time it has operated both the tourism and accommodation operations (treated as normal operations for accounting purposes) which have been materially supplemented by property development and rental property sales (treated as abnormal or extraordinary items for accounting purposes). In several years the revenue and development profits have been substantially in excess of returns from the backpacker and tourism activities. By way of example, in the 2006 financial year, Jimmy Crow paid dividends of \$10 million to its parent company from revenues from the sale of developed assets and operational profits of the tourism and hotel operations at that time. Of that amount approximately \$6.2 million was returned to shareholders.

As disclosed on page 30 of the Prospectus, the Company has incurred net losses of \$450,068 and \$372,507 for the financial year ending 30 June 2016 and half year ending 31 December 2016 respectively. There is a risk that, without revenue from asset sales, new sources of revenue (including from Corporate Admin Services) or reducing expenses, the Company may incur further losses.

Before other comprehensive income, the underlying operating loss for the Company was \$202,011 and \$284,139 of the financial year ending 30 June 2016 and half year ending 31 December 2016 respectively, with the additional loss as a result of market price impairment of Australian Dairy Farms Group (AHF) securities held by the Company. The risks as a result of market fluctuations of the value of AHF are set out in sections 5.3(c) and 6.1(p) of the Prospectus.

Prior to the Demerger, all internal accounting, company secretarial and administration activities (**Corporate Admin Services**) for the Consolidated Group have been undertaken by Corporate Solutions Pty Ltd (CSPL), a wholly owned subsidiary for the Company. CSPL also employs staff used by other members of the

Consolidated Group. Given the group structure, Corporate Admin Services provided by CSPL for the Trustees Australia Financial Services Group were not charged to Trustees Australia.

A similar arrangement is in place for Corporate Admin Services provided to AHF. Trustees Australia billed AHF \$365,000 and \$275,000 for corporate Admin Services for the 2016 and 2017 financial years respectively, with the revenue recognised in the accounts of Trustees Australia Financial Services Group for segment reporting purposes.

Following the Demerger CSPL will continue to charge Trustees Australia and AHF for Corporate Admin Services on a cost plus 10% basis until such time as those entities are able to provide these services internally, at which time CSPL is likely to reduce its accounting and administration capabilities, with a corresponding reduction in operating costs.

For the reasons set out above, the Directors believe that whilst Jimmy Crow has incurred operating losses over the last 3 years, there is a reasonable basis to believe that the Company will not incur operating losses following the Offer. However, there remains a risk that the Company may continue to incur losses. If so, these losses will need to be funded through either asset sales or raising further equity or debt capital.

5 STATUS OF DEMERGER

On 31 July 2017 Trustee's Australia's shareholders approved the Demerger and all other resolutions put to the meeting.

6 DIRECTORS' AUTHORISATION

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

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

Dated: 11 August 2017



Michael Hackett

Director

Jimmy Crow Limited