



21 August 2024

Extraordinary General Meeting of Candy Club Holdings Limited

To be held on 23 September 2024 at 2:00pm (Sydney time)

Dear Shareholder

You are invited to attend the Extraordinary General Meeting of the shareholders of Candy Club Holdings Limited (**Company**) (ASX:CLB) to be held on Monday 23 September 2024 at 2:00 pm (Sydney time) virtually via a Zoom facility.

Virtual Meeting Registration

Shareholders intending to attend the Meeting are required to register their intention to do so by 2:00 pm (AEST) on Saturday 21 September 2024 by sending an email with their full name and registered address to tocatriona.glover@tearum.com.au

Once your details have been verified, shareholders will receive an email containing a link to enable them to participate in the Meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online.

In accordance with Section 110D(1) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice of Meeting (**Notice**) to shareholders unless a shareholder has requested a hard copy. You will be able to access the Meeting materials online at the Company's website

www.candyclublimited.com.au

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice.

Alternatively, a complete copy of the Meeting materials has been posted on the Company's ASX market announcements page.

The online access is via the ASX announcement portal at:

<https://www.asx.com.au/asx/share-price-research/company/CLB>.

Candy Club Holdings Limited

ACN 629 598 778

Ph: 03 8678 4091

Level 2, 350 Kent St, Sydney NSW 2000.

<http://www.candyclublimited.com.au>

For personal use only

If any shareholder requires a copy to be mailed to them, please contact Ms Catriona Glover via email,
Catriona.glover@tearum.com.au



Catriona Glover

Company Secretary

For personal use only

Candy Club Holdings Limited

Level 2, 350 Kent Street,

Sydney, NSW 2000

ACN: 629 598 778

Candy Club Holdings Limited

Notice of Extraordinary General Meeting

Explanatory Statement | Proxy Form

23 September 2024

[time: 2.00 PM Sydney Time]

The Extraordinary General Meeting of the Company (Meeting) will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual Meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications to the Corporations Act 2001(Cth) which provide for the permanent relief for companies to use electronic communications to send meeting materials, no hard copy of the Notice of Meeting or Explanatory Statement (EGM Materials) will be circulated unless shareholders have elected to receive the EGM Materials in paper form. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://candyclublimited.com.au>.

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Proxy Form Attached

Important Information for Shareholders about the Company's 2024 EGM

This Notice is given based on circumstances as at 21 August 2024. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.candyclublimited.com.au. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

Notice is hereby given that an Extraordinary General Meeting (EGM or Meeting) of shareholders of Candy Club Holdings Limited (the Company) will be held virtually via a webinar conferencing facility on Monday 23 September 2024 at 2.00PM (Sydney time).

The Meeting is being held virtually. The Company intends to conduct a poll on the resolutions in this Notice of Meeting using the proxies filled prior to the Meeting, Shareholders are therefore encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in this Notice of Meeting. To lodge a proxy please follow the instructions below and on your personalized proxy form.

Shareholders attending the EGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the Meeting to also

cast their votes on the proposed resolutions. The virtual EGM can be attended using the following details:

WHEN:

Monday, 23 September 2024 at 2.00 PM Sydney Time.

REGISTER IN ADVANCE FOR THE MEETING:

Shareholders intending to attend the Meeting via Zoom facility are required to register their intention to do so by 2:00pm (AEST) on Saturday, 21 September 2024 by sending an email with their full name and registered address to the Company Secretary at:

catriona.glover@tearum.com.au

Once your details have been verified, shareholders will receive an email containing a link to enable them to participate in the Meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online.

VOTING:

Shareholders attending the EGM virtually will be able to vote in real time. Online voting registration will commence 30 minutes prior to the start of the EGM.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [the Company Secretary at:](mailto:catriona.glover@tearum.com.au)

catriona.glover@tearum.com.au

The Company will address relevant questions during the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the EGM online should monitor the Company's website and its ASX announcements for any updates about the EGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: CLB) and on its website at <https://candyclublimited.com.au>.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-GMs/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative email adequate evidence of their appointment to meetings@automicgroup.com.au, unless this has previously been provided to the Share Registry.

ASX

ASX has confirmed to the Company that they consider the Acquisition constitutes a back door listing and therefore the Company is required to comply with ASX Listing Rules 11.1.2 and 11.1.3.

This means that in addition to seeking shareholder approval for the Acquisition, the Company will issue a Prospectus as a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules as though it is seeking re-admission to the official list of ASX following a change in the nature and scale of its activities.

ASX has notified the Company of the significant likelihood that the Company will not satisfy Listing Rule 1.1 Condition 1, however the Company and Scalare both believe ASX's concerns can be addressed satisfactorily and that the transaction can proceed. The Company has not

resubmitted an Application for In-Principle Advice on suitability and ASX has not provided an updated advice as to the Company's suitability for listing.

It should be noted that in the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition and as things currently stand the Company would expect to be delisted from the Official list on or about 11 October 2024.

Notice of General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Candy Club Holdings Limited ACN 629 598 778 will be held at 2.00 pm Sydney time on 23 September 2024. The meeting will be held virtually via a webinar conferencing facility.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the EGM. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 19:00 Sydney time on 20 September 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Resolutions

1. **Resolution 1** – Approval to change in nature and scale of activities

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, subject to each of the Acquisition Resolutions being passed and pursuant to and in accordance with ASX Listing Rule 11.1.2 and for all other purposes, approval be given for the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Offer, as described in the Explanatory Statement attached to the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a counterparty to the Acquisition that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the entity's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a shareholder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- For personal use only
- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
 - (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. **Resolution 2** – Approval of consolidation of Shares

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated as described in the Explanatory Statement attached to the Notice of Meeting, on the basis that:

- *every 56 Shares be consolidated into 1 Share;*
- and*
- *all Options on issue be adjusted in accordance with ASX Listing Rule 7.22,*

and, where this Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up to the nearest whole security."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a Scalare Partners Vendor; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

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- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval of Issue of Consideration Shares

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with Item 7 of Section 611 of the Corporations Act and for all other purposes, approval be given for the Company to issue up to 72,000,000 Shares (on a post-Consolidation basis) to holders of shares in Scalare Partners under the Acquisition as described in the Explanatory Statement attached to the Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) A Scalare Partners Vendor; or
- (b) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in 9a) or (b)

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. **Resolution 4 – Approval of Issue of New Shares Subscribed for under the Offer by Scalare Partners Shareholders**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with Item 7 of Section 611 of the Corporations Act and for all other purposes, approval be given for the Company to issue up to 9,500,000 Shares (on a post- Consolidation basis) to the proposed directors and managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and Scalare Partners shareholders who subscribe for Shares under the Offer."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (d) A proposed director or manager of the Company on re-admission to the ASX Official List and Scalare Partners Vendor; or
- (e) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (f) an Associate of that person or those persons described in 9a) or (b)

However, this does not apply to a vote cast in favour of the Resolution by:

- (iv) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (v) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (vi) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. **Resolution 5 – Approval of Issue New Shares and Broker Shares**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to a maximum of 32,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.25 per Share to raise up to \$8,000,000 under the Offer as described in the Explanatory Statement attached to the Notice of Meeting (New Shares) and a further 1,200,000 (on a post-Consolidation basis) to Novus Capital Limited (or its nominees) on a successful completion of the Offer (Broker Shares) as described in the Explanatory Statement attached to the Notice of Meeting .”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) A Scalare Partners Vendor and Novus Capital Limited (or its nominees);
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Change of Company Name

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, immediately following completion under the Share Sale Deed, the name of the Company is changed to ‘Scalare Partners Holdings Limited’.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) A Scalare Partners Vendor; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 – Approval of Issue of Securities under the Equity Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with Exception 13(b) of ASX Listing Rule 7.2 and for all other purposes, approval be given for the issue of securities under the terms and conditions of the Equity Incentive Plan (“EIP”), as described in the Explanatory Statement attached to the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) A Scalare Partners Vendor;
- (b) a person who is eligible or will be to participate in the EIP; or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8 – Directors Fees

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 10.17 and for all other purposes, the maximum total aggregate amount of directors’ fees payable to all non-executive Directors be increased to \$600,000.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any Director or Proposed Director and Annerley Property Holdings Pty Ltd; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

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- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Issue of shares for outstanding Director Fees

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue up to a maximum of 214,290 Shares (on a post- Consolidation basis) at an issue price of \$0.25 to Annerley Property Holdings Pty Limited for outstanding Director fees as described in the Explanatory Statement attached to the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any Director or Proposed Director and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a shareholder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Catriona Glover
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held virtually at 2.00pm Sydney Time on 23 September 2024.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Extraordinary General Meeting are set out below.

1. Transaction overview

1.1 Overview of the Acquisition

On 6 May 2024, the Company announced that it proposed to acquire Scalare Partners. On 20 June 2024 the Company announced that it and Scalare Partners had entered into a Merger Implementation Deed and a Share Sale Deed to facilitate the proposed acquisition of 100% of Scalare Partners by the Company and the Offer.

The Merger Implementation Deed and Share Sale Deed replaced the binding terms sheet executed by the Company and Scalare Partners on 2 February 2024.

The Acquisition is proposed to be effected by the Company acquiring all the issued capital of Scalare Partners from the existing equity holders of Scalare Partners. The consideration payable by the Company for 100% of the ordinary shares in Scalare Partners will comprise the Consideration Shares. The aggregate number of Shares to be issued to the Scalare Partners Vendors is 72.0 million Consideration Shares.

Upon completion of the Acquisition, the Scalare Partners Vendors are anticipated to hold the Shares detailed in Section 2.7 below.

.Novus Capital Limited has been appointed as the lead manager of the Offer. Novus Capital Limited will receive 1,200,000 Shares issued at \$0.25 on successful completion of the Offer

Name change and board change

It is proposed that the Company will change its name to "Scalare Partners Holdings Limited" following Completion and subject to receipt of shareholder approval as contemplated by this

Notice of Meeting. The Company also proposes changing its ASX ticker code to "SCP" from completion and the successful relisting of the Company.

Additionally, following completion and subject to receipt of Shareholder approval as contemplated by this Notice of Meeting, the Company will appoint Ms Adelle Howse, Mr Neil Carter, Mr Beau Quarry and Mr James Loughheed as Directors of the Company. Mr James Walker will remain on the Board and Gary Simonite and Greg Starr will resign. Mr Carter, Mr Quarry, Mr Loughheed and Mr Walker are current Directors of Scalare Partners. Biographies for each director are set out in Section 1.8 below.

Conditions precedent

The Acquisition is subject to and conditional upon the satisfaction or waiver of the following conditions:

- the Company obtaining all necessary shareholder and regulatory approvals pursuant to the Corporations Act and the ASX Listing Rules;
- the Company obtaining approval (subject only to conditions usual for such approval) from ASX for the Shares to be reinstated to quotation on ASX;
- the Company meeting the requirements in Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the Official List;
- Completion of the Offer; and
- there being no material breach of the Merger Implementation Deed by either the Company or Scalare Partners.

The Acquisition is also conditional on the Directors of the Company having not changed their recommendation in relation to the Acquisition.

1.2 Shareholder approval

It is a condition for Completion that all Acquisition Resolutions contemplated by this Notice of Meeting are passed.

1.3 Sources and uses of funds

In conjunction with the Acquisition, the Company is will seek to raise up to \$8,000,000 through the issue of up to 32,000,000 Shares under the Offer. The proceeds of the Offer will be applied to:

- expansion into the US market through the establishment of an office in the US
- growth and working capital for the Group; and
- pay transaction costs associated with the Offer and the Acquisition.

Further detail is provided in the table below:

USE OF FUNDS	Minimum Subscription	Maximum Subscription
Establish Scalare Partners USA office	\$400,000	\$500,000
Expand Tech Ready Women nationally and in the USA	\$100,000	\$200,000
Technology development to fast-track current digitalisation of products/services and subscription/membership programs	\$200,000	\$500,000
Investments in existing and new portfolio companies	\$1,600,000	\$2,400,000
Working Capital	\$1,236,000	\$3,696,000
Costs of the Offer – fundraising	\$159,000	\$399,000
Costs of the Offer – ASX, legal, accounting, other support services	\$305,000	\$305,000
Total use of funds	\$4,000,000	\$8,000,000

1.4 ASX

ASX has confirmed to the Company that they consider the Acquisition constitutes a back door listing and therefore the Company is required to comply with ASX Listing Rules 11.1.2 and 11.1.3.

This means that in addition to seeking shareholder approval for the Acquisition, the Company will issue the Prospectus as a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules as though it is seeking re-admission to the official list of ASX following a change in the nature scale of its activities.

ASX has notified the Company of the significant likelihood that the Company will not satisfy Listing Rule 1.1 Condition 1, however the Company and Scalare both believe ASX's concerns can be addressed satisfactorily and that the transaction can proceed. The Company has not resubmitted an Application for In-Principle Advice on suitability and ASX has not provided and updated advice as to the Company's suitability for listing.

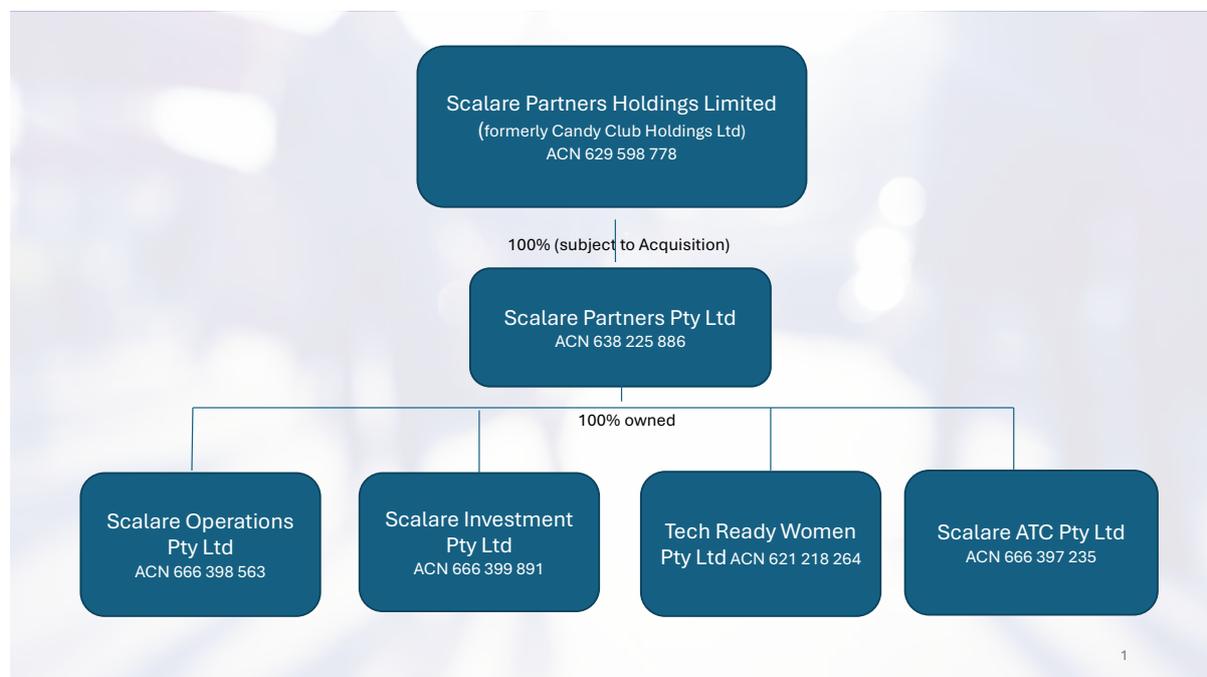
It should be noted that in the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition

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and as things currently stand the Company would expect to be delisted from the Official list on or about 15 October 2024.

1.5 Post-Acquisition structure diagram

On completion, the proposed structure of the Company is as follows:



1.6 Summary of Merger Implementation Deed

On 17 June 2024, the Company and Scalare Partners entered into a Merger Implementation Deed to govern the implementation of the Offer and the acquisition by the Company of 100% of the share capital of Scalare Partners (Merger Implementation Deed).

The key terms and conditions of the Merger Implementation Deed include the following:

(Implementation): Both the Company and Scalare Partners agree to work together to propose and implement the Acquisition and Offer including preparing all relevant documents relating to the Acquisition and Offer including this Notice of Meeting, the notice of meeting to be sent to Scalare Partners shareholders and the Prospectus.

(Conditions): Completion of the Merger Implementation Deed is subject to the satisfaction or waiver by parties of the following conditions precedent:

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- in the reasonable opinion of the Company, there has not been a material adverse change between the 31 December 2023 audited accounts and the 2024 financial information for Scalare Partners made available to the Company;
 - Scalare Partners obtaining all necessary shareholder approvals for the Acquisition and if necessary, providing evidence to the Company that a 'drag along notice' has been served to the Scalare Partners shareholders;
 - Scalare Partners and the Company executing the Share Sale Deed;
 - the Company obtaining all necessary shareholder approvals in respect of the Acquisition and Offer as contemplated by this Notice of Meeting;
 - the Company obtaining all approvals, waivers and modifications from ASIC and the ASX which are necessary to enable the Acquisition and Offer to proceed in accordance with the terms of the Merger Implementation Deed and the Share Sale Deed; and
 - the Company applying to ASX for quotation of the Company shares, including those to be issued and allotted under the Offer and the Consideration Shares, and the ASX indicating that it will grant permission for the quotation of the Company's Shares.

(Termination): Either party can terminate the Merger Implementation Deed provided:

- the conditions precedent as outlined above are not satisfied or waived;
- the other party suffers an insolvency event;
- the other party is in material breach of the Merger Implementation Deed which is incapable of being remedied;
- a majority of the Directors change their recommendation in relation to the Acquisition or Offer; or
- the Share Sale Deed is validly terminated.

(Proceeds of the Offer): The proceeds of the Offer are to applied in the following order:

- first, to fund the joint transaction costs of both parties; and
- the balance to be retained by the Company as growth capital for the purposes outlined in Section 1.3 of this Notice of Meeting.

(Warranties): The Company and Scalare Partners both provide standard warranties including in respect of title, capacity and capital structure.

1.7 Summary of Share Sale Deed

On 17 June 2024, the Company and Scalare Partners entered into a share sale deed which provides the mechanics for Scalare Partners delivering 100% of its share capital to the Company in connection with the Acquisition (Share Sale Deed).

The key terms and conditions of the Share Sale Deed include the following:

(Acquisition): On completion of the Share Sale Deed, each holder of Scalare Partners ordinary shares (a Scalare Partners Vendor) must sell their ordinary shares to the Company free of encumbrances.

(Consideration): The consideration payable for the Acquisition is the Company issuing a total of 72,000,000 Consideration Shares to the Scalare Partners Vendors.

(Conditions): Completion of the Share Sale Deed is subject to the satisfaction or waiver by parties of the following conditions precedent:

- each of the conditions precedent in the Merger Implementation Deed as outlined in Section 1.6 above being satisfied or waived;
- ordinary shareholders executing a Deed of Accession to the Share Sale Agreement or otherwise being subject to a drag along under the Scalare Partners shareholders deed; and
- certain key management personnel and other Scalare Partners securityholders agreeing to execute escrow agreements.

(Termination): The Share Sale Deed can be terminated in the event that the conditions precedent cannot be satisfied or waived, and automatically terminates if the Merger Implementation Deed is terminated.

(Warranties): The Company and the Scalare Partners Vendors provide standard warranties including in respect of title and capacity.

1.8 Board following Completion

Following Completion, it is proposed that Gary Simonite and Greg Starr will resign from the Board and will be replaced in accordance with Article 108.1 of the Company's constitution by Adelle Howse, Neil Carter, Beau Quarry and James Loughheed. Each will be required to resign and seek election at the next annual general meeting of the Company

James Walker will remain on the Board on completion.

On completion, the Board will comprise the following persons:

Adelle Howse, GAICD – Independent Non-Executive Chair

Based in Sydney, Australia.

Extensive executive and non-executive experience in the corporate and consulting environment with a focus on strategy, M&A and governance. Has spent more than 20 years in energy and resources, construction, infrastructure, data centres, telecommunications, property sector and also invests and advises early-stage technology companies. Adelle holds an Executive MBA from

IMD, a PhD in mathematics from the University of Queensland and a graduate diploma in applied finance and investment.

Current Board roles:

Macquarie Tech (ASX: MAQ) – Non-Executive Director – August 2019 to present.

Sydney Desalination Plant – Non-Executive Director and Audit and Risk Committee Chair – September 2020 - present.

Downer EDI Limited (ASX: DOW) – Non-Executive Director – April 2022 to present.

BAI Communications – Non-Executive Director and Audit and Risk Committee Chair – July 2023 to present.

Neil Carter, GAICD – Independent Non-Executive Director

Based in Sydney, Australia.

Neil Carter is an accomplished and well-known investor with over 25 years in financial markets. He was Co-Head of Global Listed Equities at IFM and a Divisional Director at Macquarie Funds Group, with an investment track record of +5% pa in Small Caps and +10% pa in Microcaps over 15 years. He built the IFM Listed Equities business to 28 people, \$45bn in funds under management and a global footprint across active, passive, long and long-short funds. He is passionate about building diverse, high performing teams and has a demonstrable record of collaborative leadership.

Slipstream Advantage Pty Ltd – Non-Executive Chair – November 2021 – present.

Electro Optics Systems (EOS) – Chief Strategy Officer – July 2020 - November 2021.

IFM Investors – Global Co-Head of Equities – January 2012 - June 2020.

James Lougheed – Non-Independent Non-Executive Director

Based in San Jose, USA.

Technology executive with nearly 30 years' experience in electronics and semiconductors.

Diverse operational experience with roles in design, operations, quality, sales, marketing, executive management, board governance and technology investment & advisory. Global work experience in 4 countries: Australia (5yrs), Singapore (4yrs), China (8yrs), United States (12yrs).

Education in engineering, management and business administration. Fluent in Mandarin.

MaxLinear (US based) – VP & GM High Performance Analog and Accelerator Group – May 2017 to May 2024.

Silicon Catalyst – Advisor and Investor – March 2023 to present.

Sand Hill Angels – Member and Investor – May 2023 to present.

Exar Corporation – SVP Global Sales and Marketing – March 2008 - May 2017 (until acquired by MaxLinear (above)).

Scalare Partners Pty Ltd – Non-Executive Director - July 2023 to present.

Beau Quarry – Non-Independent Non-Executive Director

Based in Sydney, Australia.

Founder and Managing Director of Solido Capital, Managing Director Baobab Investment Management, Non-Executive Director Arctic Intelligence Pty Ltd and Scalare Partners Pty Ltd.

James Walker, GAICD FCA – Non-Independent Executive Director

Based in Sydney, Australia.

Entrepreneurial director / business executive specialising in commercialising technology.

Extensive experience across a wide range of international high growth businesses. Completed multiple M&A transactions, ASX IPO listings, follow-on share placements and other capital raisings for private companies as well as ASX and London (AIM) listed companies.

Current ASX non-executive director roles include:

BluGlass (ASX: BLG) – Non-Executive Chair – July 2017 to present.

Native Mineral Resources (ASX: NMR) – Non-Executive Chair – August 2020 – present.

Other relevant executive roles include:

Co-founded Scalare Partners Pty Ltd in January 2020

Droneshield (ASX: DRO) – Chief Executive Officer – March 2016 – March 2017.

Seeing Machines (AIM: SEE) – Chief Financial Officer – June 2013 – March 2016.

1.9 Directors' interests in Shares and other securities

The Directors are not required under the Company's constitution to hold any Shares.

The interests in Shares and other securities in the Company (including after the Offer) of the Directors who will hold office after Completion are set out below:

Director Interests				
Issue Price per Share under the Offer	\$0.25			
Shares held through their entities or individually	Minimum Subscription		Maximum Subscription	
	\$4,000,000.	%	\$8,000,000.	%
Adelle Howse	1,844,946	2.0%	1,844,946	1.7%
Neil Carter	200,000	0.2%	200,000	0.2%
James Lougheed	7,119,072	7.8%	7,119,072	6.7%
Beau Quarry	8,060,572	8.8%	8,060,572	7.6%
James Walker	10,895,485	11.9%	10,895,485	10.3%
Total shares held – post the Capital Raise	28,120,075	30.7%	28,120,075	26.5%

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1. No approval under ASX LR 10.11 is required for the issue of any Shares under the Offer to proposed directors and managers of the Company as approval under Section 611 Item 7 of the Corporations Act is being sought for the issue of Shares under the Offer to them as well as Scalare Partners shareholders under Resolution 4.

2. Additionally, it is intended that Options be granted under the Equity Incentive Plan. The exact terms of the Options and number to be issued to each Director will be determined following the completion of the Transactions and shareholder approval under ASX LR 10.14 sought for their issue at the 2024 Annual General Meeting.

3. Gary Simonite and Gregory Starr are current directors of the Company. Mr Simonite, through Annerley Property Holdings Pty Ltd will hold 1,726,592 Shares following the Consolidation and if Resolution 9 is passed. This equals 1.9% to 1.6% of the Shares on relisting of the Company's Shares. Mr Starr holds no Shares in the Company. Mr Simonite and Mr Starr will resign on completion of the Transactions.

All numbers are on a post-Consolidation basis and are subject to rounding resulting from the consolidation.

1.10 Management team following completion

Following completion of the Offer and the Acquisition, the senior management personnel of the Company will be as follows:

Carolyn Breeze, GAICD – Chief Executive Officer (current CEO of Scalare Partners)

Joined Scalare Partners in February 2023. Based in Sydney, Australia.

Carolyn is a leader in empowering organisations to drive inclusion and equality through technology and accessibility. With over 20 years of experience in telecommunications, technology, eCommerce, and fintech, she has received numerous accolades for her work, including CEO Magazine's IT and Telecommunications Executive of the Year (2018), Business Insider's top 21 Women in Fintech, and the Advocate for Women award at the 2019 Woman in Payments Symposium. Most recently, Carolyn was recognised as Fintech Leader of the Year at the 2021 Woman in Finance Awards.

Previous roles include:

Zepto – Chief Commercial Officer – September 2021- January 2023.

GoCardless – General Manager Aus/NZ - May 2019 - September 2021.

Braintree - Australian Country Manager - January 2017 - May 2019.

PayPal, and eBay - March 2012 - September 2016.

Jenny Li, CPA Australia – Chief Financial Officer (current CFO of Scalare Partners)

Joined Scalare Partners on incorporation in January 2020. Based in Sydney, Australia.

Jenny is a strategy focused and results orientated finance leader, with more than 15 years' experience in improving financial governance, working in and advising multinational business to high growth start-ups undertaking rapid change and growth.

Prior to joining Scalare Partners Jenny was at Sterling RISQ as Finance Director from October 2009 to January 2020.

Nick Roberts, GAICD – Executive Co-Founder (currently holds this position)

Started Scalare Partners on incorporation in January 2020. Based in Sydney, Australia. Entrepreneur and investor specialising in fast growing businesses with international potential. With 20+ years of international experience having founded and run businesses in UK/Europe, US and Asia Pacific.

Founder of 4 businesses in professional, B2B & consumer media areas.

Previous roles include:

RISQ Group – CEO – August 2012 to December 2018.

Thomson Reuters – MD JANZ – January 2008 to March 2012.

Giles Bourne, FAICD – Executive Co-Founder (currently holds this position).

Started Scalare Partners on incorporation in January 2020. Based in Sydney, Australia. Over 27 years of experience leading technology innovation and commercialisation across diverse industries, including multinational software companies, polymer banknote technology, and corporate advisory before being the CEO BluGlass (ASX: BLG).

At BluGlass completed multiple ASX capital raises and delivered multiple international development partnerships.

Other relevant roles include:

BluGlass (ASX: BLG) – Chief Executive Officer / Managing Director – July 2007 - June 2021.

Ticketless Parking – Non-Executive Director – May 2019 to present.

FreeGuides – Non-Executive Director – November 2020 to present.

Circadian Health Innovations – Non-Executive Director – January 2024 to present.

James Walker FCA GAICD – Executive Co-Founder (currently holds this position).

Started Scalare Partners on incorporation in January 2020. Based in Sydney, Australia.

Refer above for career experiences.

1.11 Employee incentive arrangements

Employee Incentive Plan

In connection with completion of the Offer and the Acquisition, the Company seeks shareholder approval to adopt a new Equity Incentive Plan (EIP) to assist in the motivation, reward and retention of key personnel. The EIP is in addition to the Company's existing employee incentive arrangements, and in the future it is intended that the Company will grant awards under the EIP. The EIP Plan Rules (Plan Rules) provide flexibility for the Company to grant EIP Rights, EIP Options and/or EIP Restricted Shares as incentives, subject to the terms of individual offers and the satisfaction of performance and vesting conditions determined by the Board from time to time.

The key features of the Plan Rules are outlined below:

Term Eligibility

Description Offers may be made at the Board's discretion to employees or any other person that the Board determines to be eligible to receive a grant under the Plan Rules.

Type of securities

The Company may grant EIP Rights, EIP Options and/or EIP Restricted Shares as incentives, subject to the terms of individual offers.

EIP Options are an entitlement to receive shares upon satisfaction of applicable conditions and payment of an applicable exercise price.

EIP Rights are an entitlement to receive shares subject to the satisfaction of applicable conditions.

EIP Restricted Shares are shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.

Awards under the EIP

Unless otherwise specified in an offer document, the Board has the discretion to settle EIP Options or EIP Rights with a cash equivalent payment.

Under the Plan Rules, the Board may make offers at its discretion, subject to any requirements for shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.

Issue price

Unless the Board determines otherwise, no payment is required for a grant of an EIP Right, EIP Option or EIP Restricted Share allocated under the Plan Rules.

Vesting

Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.

EIP Options must be exercised by the employee and the employee is required to pay any exercise price applicable, unless the Board permits cashless exercise. EIP Rights may also have an exercise mechanism; however, no exercise price is payable.

Dividend and voting rights

EIP Options and EIP Rights do not carry any dividend or voting rights. EIP Restricted Shares do have dividend and voting rights.

Cessation of employment

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Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if a participant ceases employment.

Preventing inappropriate benefits

The Plan Rules provide the Board with broad malus and clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

Change of control

Unvested incentives will automatically vest if there is a change of control. Individual offer documents may provide for a different treatment.

Rights issues and other corporate actions

The Plan Rules include specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.

Restrictions on dealing

Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their EIP Options or EIP Rights. In the event of a bonus issue, EIP Options or EIP Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.

Other terms

Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the trading policy.

The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

1.13 General information

Additional information in respect of the Company and Scalare Partners has been included in Schedule 1.

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Resolutions

Resolution 1 – Approval to change in nature and scale of activities

2.1 General

Resolution 1 seeks Shareholder approval to change the nature and scale of the Company's activities as required under ASX Listing Rule 11.1.2. This change arises out of the Acquisition and associated Offer.

Resolution 1 is an ordinary resolution.

Resolution 1 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

2.2 Consequence of Resolution 1 if passed or not passed

Resolution 1 seeks the required Shareholder approval to the Acquisition pursuant to and in accordance with ASX Listing Rule 11.1.2.

If Resolution 1 is passed, then, subject to all other Acquisition Resolutions being passed, the Company will be able to proceed with the Acquisition and the Offer, including the issue Consideration Shares and New Shares as set out in this Explanatory Statement.

Shareholders should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List. In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition.

If Resolution 1 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Scalare Partners and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Statement will be issued. Should that occur then the Company is likely to be delisted from the ASX on 15 October 2024.

2.3 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and

- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of ASX.

The Company has consulted with ASX in relation to the Acquisition. ASX will require the Company to:

- (d) obtain the approval of Shareholders for the proposed change of activities pursuant to ASX Listing Rule 11.1.2; and
- (e) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (in accordance with ASX Listing Rule 11.1.3).

Accordingly, the Company seeks Shareholder approval for the Company in connection with the change to the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3.

2.4 ASX Guidance Note 12 Disclosures

As noted above, ASX required the Company to seek shareholder approval for the proposed change of activities pursuant to ASX Listing Rule 11.1.2 and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

The Company provides the following information as required under Section 7.2 and Annexure A of ASX Guidance Note 12, to the extent that the information has not been provided elsewhere in the Notice of Meeting or this Explanatory Statement.

Specific information

Information	Detail
Parties to, and material terms of, the Acquisition.	See Sections 1.6a and 1.7 above.
Information about the likely effect of the transaction on the entity's consolidated total assets, total equity interests, annual revenue, annual expenditure and annual profit before tax.	<p>The likely effect of the Transactions, on a pro forma basis as at 30 June 2024 and assuming the minimum amount of \$4m is raised is as follows:</p> <ol style="list-style-type: none"> 1. Total assets – was \$4,581 and would be \$16,477,432 2. Total equity interests – was negative \$199,163 and would be positive \$13,959,593 3. Annual revenue – was \$0 and would be \$3,194,799 4. Annual expenditure – was \$66,811 and would be \$4,313,788 5. Annual loss before tax – was \$66,811

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	<p>and would be \$1,118,989</p> <p>The likely effect of the Transactions, on a pro forma basis as at 30 June 2024 and assuming the maximum amount of \$8m is raised is as follows:</p> <ol style="list-style-type: none"> 1. Total assets – was \$4,581 and would be \$20,237,432 2. Total equity interests – was negative \$199,163 and would be positive \$17,719,593 3. Annual revenue – was \$0 and would be \$3,194,799 4. Annual expenditure – was \$66,811 and would be \$4,291,788 5. Annual loss before tax – was \$66,811 and would be \$1,096,989
Capital table showing the issued capital of the entity before and after the transaction and explaining any capital restructure that will be conducted.	See Section 2.7.
Specific information in respect of share issues in the previous 6 months by the Company or Scalare	See Sections 2.5 and 2.6
Specific information if the Company or Scalare Partners is proposing to issue securities prior to the Company's re-admission.	See Section 4 .
Details of any person who will acquire control of, or voting power of 20% or more in, the entity as a result of the Acquisition.	See section 4
If there are any changes proposed to the Company's board or senior management, details of those changes.	See Sections 1.8 and 1.10.
Timetable for implementing the Acquisition, including the process and timetable for seeking the approval of security holders and for re-complying with ASX's requirements for admission and quotation.	See Section 2.8.
A summary of Scalare Partners' principal activities and the jurisdictions in which it operates.	See Schedule 1.
A description of Scalare Partners' business model, including any key dependencies and	See Schedule 1.

key risks.	
A copy of Scalare Partners' accounts, being accounts that would meet the requirements in Listing Rule 1.3.5(b) if the entity were applying for admission to the official list under the assets test on the date of the announcement, or a link to where they can be viewed and downloaded.	. See www.candyclublimited.com.au
Details of any regulatory approvals or waivers required or other material conditions that must be satisfied for the transaction to proceed.	None
Details of any fees paid or payable by the entity to any person for finding, arranging or facilitating the transaction.	None.
Confirmation on appropriate enquiries.	See Section 2.9.
Outcome of applications made to the ASX for in-principle advice or for waivers of, or confirmation under, the Listing Rules.	See Sections 1.4.
Prescribed statements.	See Section 2.10.

2.5 Security issues by the Company in the past six months

The Company has not issued any securities in the six months preceding the Notice of Meeting.

The Company further confirms that, except as specifically detailed in the Notice of Meeting and Explanatory Statement, it does not intend to issue any further securities prior to readmission. Details regarding the issue of Consideration Shares and New Shares are set out in the remainder of this Explanatory Statement.

2.6 Security issues by Scalare Partners in the past six months

Scalare Partners has issued the following securities in the six months preceding the Notice of Meeting:

Date of issue	Nature of issue	Consideration provided for the securities	Underwritten?	Amount raised by the issue and the purposes for which the funds raised were or will be used
May 2024	985,264 shares pursuant to ESOP	\$454,352	No	\$424,352 Working Capital
May 2024	46,154 shares	915,000 shares	No	Nil

	for acquisition of 915,000 Tech Ready Women Pty Ltd shares	in Tech Ready Women Pty Ltd		
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The Company further confirms that, except as specifically detailed in the Notice of Meeting and Explanatory Memorandum, Scalare Partners does not intend to issue any further securities prior to the Company's readmission.

2.7 Capital structure table

Details of the ownership of Shares on completion of the Transactions are set out in the table below. This capital structure table is shown on a post-Consolidation basis, assuming the maximum is raised as part of the Offer:

Shareholder	Shares at date of Notice of Meeting pre consolidation	% of Shares held prior to Completion	Shares Issued on post consolidation basis	Shares held immediately post completion	% of Shares held post-Completion
Annerley Property Holdings Pty Ltd	84,688,918	84.69	214,290	1,726,593	1.89 - 01.61
Other current shareholders	15,310,855	15.31	Nil	273,407	0.30 - 0.26
Scalare Partners shareholders	Nil	Nil	72,000,000	72,000,000	78.95 - 67.16
Offer	Nil	Nil	16,000,000 - 32,000,000	16,000,000 - 32,000,000	17.54 - 29.85
Novus Capital Limited	Nil	Nil	1,200,000	1,200,000	1.32 - 1.12
Total	99,999,773	100.0%	88,214,290 - 104,214,290	91,200,000 - 107,200,000	100.0%

1. The Directors and Management of Scalare Partners Pty Ltd (or entities associated with them) will subscribe for a total of 4,337,212 Shares under the IPO Offer. The remaining Scalare Partners Shareholders have indicated through "non-binding expressions of interest" that they may acquire a further 5,162,788 Shares under the IPO Offer.

2.8 Timetable

The below is an indicative timetable for implementing the Acquisition, including the process and timetable for seeking the approval of security holders and for re-complying with ASX's requirements for admission and quotation:

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Milestone	Proposed date
Company despatch of Notice of Meeting	21 August 2024
Lodge Prospectus with ASIC and lodge final listing application with ASX	21 August 2024
Offer (including Shareholder offer) opens	29 August 2024
Company general meeting	23 September 2024
Consolidation occurs	25 September 2024
Offer (including Shareholder offer) closes	27 September 2024
Settlement date for Offer	2 October 2024
Issue and allotment date for Offer	3 October 2024
Completion	3 October 2024
Re-admission of Company to ASX and expected recommencement of trading on ASX	10 October 2024

2.9 Appropriate enquiries

The Company confirms it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Scalare Partners for the Board to be satisfied that the transaction is in the interests of the Company and its security holders.

2.10 Prescribed statements

Shareholders should be aware that the Company's Securities have been suspended from the Official List of the ASX since 11 October 2022.

The Company's Securities will continue to remain suspended until such time that:

- (a) Shareholders have approved all the Acquisition Resolutions under this Notice of Meeting; and
- (b) the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

Some of the key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

The above do not, and are not proposed to, constitute a full list of the requirements under the ASX Listing Rules that the Company may be required to satisfy. It is expected that completion of the Acquisition and the Offer pursuant to the Prospectus will enable the Company to satisfy the requirements for re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

It is the Company's intention to meet these requirements as soon as practicable after the Meeting is held and following the successful completion of the Offer and Acquisition.

The Company also notes that:

- the Acquisition requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming;
- the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed if those requirements are not met;
- ASX has an absolute discretion in deciding whether or not to re-admit the Company to the official list and to quote its securities and therefore the transaction may not proceed if ASX exercises that discretion; and
- investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

- ASX takes no responsibility for the contents of this Notice of Meeting and Explanatory Notes.

The Company is in compliance with its Continuous Disclosure obligations under ASX Listing Rule 3.1.

2.10 Board recommendation

The Board (other than James Walker) recommends that Shareholders vote in favour of Resolution 1.

James Walker makes no recommendation in relation to Resolution 1 due to him being conflicted.

The Chair intends to exercise all available proxies in favour of Resolution 1.

Resolution 2 – Approval of consolidation of Shares

3.1 General

Resolution 2 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 56 for 1 basis (Consolidation).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company due to its market capital following Completion.

Resolution 2 is an ordinary resolution.

Resolution 2 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

If Resolution 2 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Scalare Partners and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Statement will be issued. Should that occur then the Company is likely to be delisted from the ASX on 15 October 2024.

3.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 requires that the following information be provided to Shareholders where there is to be a reorganisation of securities:

Information	Detail
The effect of the Consolidation on the number of securities and the amount unpaid (if any) on the securities	<p>The existing issued share capital of the Company, being 99,999,773 Shares, will be consolidated at the ratio of 56 Shares equal 1 Consolidated Share such that there will be 1,785,710 Shares on issue post the Consolidation.</p> <p>There are no Shares in respect of which an amount is unpaid.</p> <p>The final number of Shares after Consolidation will be 1,785,710 Shares (subject to rounding). This does not include the issue of the Consideration Shares or the issue of the New Shares, each of which will be issued post Consolidation.</p>
The proposed treatment of any fractional	See Section 3.4.

entitlements arising from the re-organisation.

ASX Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

3.3 Options

As at the date of this Notice of Meeting, the Company has 611,963 Options on issue, as set out in the table below:

Candy Club Holdings Limited				
Options Outstanding				
Class	Option Expiry Date	Exercise Price	Number	%
CLBESOP5	13 January 2025	\$3.12	39,494	6.5%
CLBESOP6	04 March 2025	\$4.80	185,191	30.3%
CLBOPT11	06 May 2025	\$4.08	3,958	0.7%
CLBOPT12	24 August 2025	\$5.76	334,374	54.6%
CLBOPT13	22 December 2025	\$3.00	44,893	7.3%
CLBOPT14	09 June 2025	\$3.24	3,333	0.6%
			611,243	100.0%

These will be consolidated into 10,916 Options (subject to rounding) under Resolution 2 and the exercise prices increased by 56 times.

3.4 Fractional entitlements

Not all Securityholders will hold that number of Securities which can be evenly divided by 56. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

3.5 Taxation

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

3.6 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any

effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Securityholder to check the number of Securities held prior to disposal or exercise (as the case may be).

3.7 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's capital structure post Completion is set out in Section 2.7 above. All numbers are subject to rounding.

3.8 Consolidation timetable

If Resolution 2 is passed, the Consolidation will take effect in accordance with the timetable set out in Section 2.8.

3.9 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all available proxies in favour of this Resolution 2.

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4. Resolutions 3 and 4 – Approval of Issue Consideration Shares and New Shares Subscribed for under the Offer by Scalare Partners Shareholders

4.1 General

Resolution 3 deals with the issue of a total of 72,000,000 Consideration Shares to the Scalare Partners shareholders under the Acquisition. Each Scalare Partners shareholder will be issued 1 Consideration Share for each Scalare Partners share they hold; and

Resolution 4 deals with the approval to the issue of up to 9,500,000 New Shares to the proposed directors and managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and other Scalare Partners shareholders who apply for New Shares under the Offer for the issue of New Shares which is the subject of resolution 5. Any New Shares issued to Scalare Partners shareholders as applicants under the Offer will potentially increase the interests of the Scalare Partners shareholders.

Upon completion of the Acquisition and the issue of New Shares pursuant to the proposed capital raising of between 16,000,000 and 32,000,000 New shares at \$0.25 each (the Offer), the Consideration Shares issued under the Transactions will constitute between 78.95% and 67.16% of the Company's Shares on issue.

The persons who will become directors and management of the Company on relisting (or entities associated with them) have indicated that in aggregate that they will acquire 4,337,212 New Shares under the Offer. Further, the remaining Scalare Partners shareholders have expressed an interest in subscribing for an additional 5,162,788 New Shares under the Offer. Assuming all of these New Shares are issued to the proposed Directors and Managers and other Scalare Partners shareholders then the total shares in the capital of the Company held by Scalare Partners shareholders would be 81,500,000 which would represent between 89.4% of the Company's share capital assuming only 16,000,000 New Shares are issued under the Offer and 76.0% of the Company's share capital assuming 32,000,000 New Shares are issued under the Offer.

The names of the Scalare Partners shareholders and the number of Consideration Shares to be issued to each is set out in Annexure "A".

The names of the persons who will the proposed Directors and Managers of the Company on relisting and entities associated with them who/which will be subscribing for Shares under the Offer and the number of New Shares that they will each subscribe for is set out in Annexure "B".

The remaining shareholders of Scalare Partners have expressed interest on a "non-binding" basis prior to the issue of the Prospectus and any subscription by the Scalare Partners shareholders who expressed interest in acquiring New Shares under the Offer will be on the basis of the

Prospectus. There is no way of knowing which of the remaining Scalare Partners Shareholders will actually subscribe for New Shares under the Offer. The resolution allows for the issue of a maximum of 5,162,7989 New Shares to Scalare Partners Shareholders who subscribe for New Shares under the Offer being the number of Shares for which expressions of interest were received. Whether Scalare Partners shareholders subscribe for that number of Shares is unknown.

Details of the shareholdings in the Company held by Scalare Partners shareholders (and their percentage holding of Shares in the Company) post the issue of the Consideration Shares and assuming all the New Shares for which expressions of interest have been received are set out in Annexure "C".

The Scalare Partners shareholders currently have no shares in the Company and as such currently have a relevant interest in 0% of the shares in the Company (and therefore voting power of 0%). That will remain the case until completion of the Transactions.

Due to the Scalare Partners shareholders having collectively agreed to dispose of their Scalare Partners shares to the Company under the Acquisition in consideration for the issue of the Consideration Shares, it is likely that they are currently Associates in relation to the Company for the purposes of Chapter 6 of the Corporations Act and each would, as a result, have voting power in the Company equivalent to their aggregate shareholdings in the Company. As stated above, their current voting power 0%

The Scalare Partners shareholders have informed the Company that they have no present expectation that any of the Scalare Partners shareholders will be Associates of each other in relation to the Company from completion of the Transactions, nor will they have a relevant interest in any of the Company shares other than the Shares issued to them under the Transactions or acquired under the Offer.

However, it is conceivable that, despite their current expectations to the contrary, the Scalare Partners shareholders (or a subset of the Scalare Partners shareholders) will be Associates of each other from completion of the Transactions, for example Scalare Partners shareholders jointly taking or defending an action for a potential breach of the Share Sale Deed in accordance with the claims management provisions of that agreement.

Section 606 of the Corporations Act prohibits the acquisition of relevant interests in a listed company's voting shares by a person if the acquisition results in the person, or someone else, increasing their voting power in the listed company to more than 20%.

Section 611 of the Corporations Act contains various exceptions to the prohibition in Section 606. Item 7 of Section 611 allows shareholders of a listed company to approve a proposed acquisition of shares by a person which would otherwise breach Section 606, and if approval is provided by shareholders as required under that item, the proposed acquisition can proceed without the

acquirer breaching Section 606. Each of Resolutions 3 and 4 seeks approval for the issue of shares under Item 7 of Section 611 of the Corporations Act.

As noted above, it is conceivable that, despite their current expectations, the Scalare Partners shareholders (or a subset of the Scalare Partners shareholders) will be Associates of each other from or after completion of the Transactions. If that occurs, those Scalare Partners shareholders could each have voting power in up to 89.4% of the Company (assuming minimum subscription under the Offer and all New Shares the subject of Resolution 4 are subscribed for by the proposed Directors and Managers and remaining Scalare Partners shareholders), which (absent the benefit of an exception in Section 611 of the Corporations Act) would cause each of them to be in breach of Section 606 when the Consideration Shares are issued to them.

Resolution 3 only approves the acquisitions the Scalare Partners shareholders make in respect of the Consideration Shares issued to them under the Transactions and does not approve any other acquisition by a Scalare Partners shareholder of a relevant interest in any the Company shares through some other transaction that could or may occur following Completion.

Resolution 4 only approves the acquisitions the Scalare Partners shareholders make in respect of New Shares that may be issued to them under the Offer and does not approve any other acquisition by a Scalare Partners shareholder of a relevant interest in any the Company shares through some other transaction that could or may occur following Completion.

Although there is no current intention or expectation of this, it is possible that two or more Scalare Partners shareholders will be associates with each other from or following completion. They are entitled to do this without shareholder approval even if their voting power increases above 20%, so long as the association is disclosed in a substantial shareholder notice released to the market and the association does not give rise to them acquiring a relevant interest in the other associate's the Company shares.

The issue of the Consideration Shares and the issue of New Shares under the Offer will result in the following Scalare Partners Vendors and their associates holding more than 5% of the total Shares on issue (including the New Shares):

- (a) Beau Quarry through Baobab Nominees 3 Pty Ltd ATF Baobab Direct Investments Trust: 8,060,572 Shares (8.8% to 7.5 % of Shares immediately post Completion);
- (b) James Walker through Burrill Skies Pty Ltd and Kirri Cove Pty Ltd: 10,895,485 Shares (11.9% to 10.1 % of Shares immediately post Completion);
- (c) Nicholas Roberts through Rasta Baby Pty Ltd: 14,345 057 Shares (15.7% to 13.3% of Shares immediately post Completion);
- (d) Giles Bourne (Co-Founder of Scalare Partners) through Chalke Valley Pty Ltd: 11,152,817 Shares (12.2% to 10.4 % of Shares immediately post Completion); and

- (e) Ya To and James Lougheed jointly 7,119,072 (7.8% to 6.6% of the Shares immediately post Completion).

The remaining Scalare Partners shareholders will each hold less than 5% of the Company's shares on issue and do not expect to have any associations necessitating the lodgement of a substantial shareholder notice.

However, approval under item 7 of section 611 the Corporations Act requires disclosure of the maximum voting power that a person acquiring shares may obtain under the acquisition. The maximum voting power that the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and other Scalare Partners shareholders who subscribe under the Offer may acquire on completion of the Transactions is the voting power they would have if they all remained associates of each other from Completion (which, while noting they are all currently associates, is not expected to be maintained from completion). The maximum voting power assuming the issue of the Consideration Shares the subject of Resolution 3 and the New Shares the subject of Resolution 4 would be 89.4%.

Accordingly, the Company is seeking under Resolution 3 Shareholder approval for the issue of 72,000,000 Consideration Shares for the acquisition of Scalare Partners and is also seeking under Resolution 4 approval for the issue of up to 9,500,000 New Shares to the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer Scalare Partners shareholders who may apply for New Shares under the Offer. Each approval is for the purpose of Section 611 Item 7 of the Corporations Act. As noted above the issue of 81,500,000 New Shares in accordance with Resolutions 3 and 4 would be a maximum of 89.4% of the total share capital of the Company.

4.2 Consequence of Resolution 3 and 4 if passed or not passed

Resolution 3 and 4 are Acquisition Resolutions and is subject to Shareholders passing each of the other Acquisition Resolutions.

If Resolutions 3 and 4 are passed, then, subject to all other Acquisition Resolutions being passed, the Company will be able to proceed with the Acquisition and the Offer, including the issue Consideration Shares and New Shares as set out in this Explanatory Statement.

Shareholders should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List. In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition.

If Resolutions 3 and 4 are not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Scalare Partners and no securities proposed to be issued as set out in the Notice of

Meeting and this Explanatory Statement will be issued. Should that occur then the Company is likely to be delisted from the ASX on 15 October 2024.

4.3 Section 611 Item 7

As required by Section 611 Item 7 of the Corporations Act and ASIC guidance in respect of that section, the following additional information is provided in respect of Resolutions 3 and 4:

1. The 72,000,000 the Company Shares to be issued under the Acquisition, and which are the subject of Resolution 3, will be issued to the person set out in Annexure A.
2. Resolution 4 seeks approval for the issue of up to 9,500,000 New Shares under the Offer will be issued to the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and to those other Scalare Partners shareholders who apply under the Offer. Other than the total of 4,337,212 New Shares to which the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) have indicated they will subscribe for under the Offer, the identity of Scalare Partners Shareholders who subscribe under the Offer is unknown at this time as are the number of New shares they may subscribe for.
3. The maximum numbers of Consideration Shares that may be issued to each of the Scalare Partners Shareholders in respect of Resolution 3, and the maximum number of Shares that may be issued to Scalare Partners shareholders in respect of Resolution 4, are set out in paragraphs 1 and 2 above.
4. The Company will issue the Shares as soon as practical after the Meeting but in any event on completion of the Transactions.
5. James Walker is currently a Director of the Company and as such is a related party as defined in Section 228 of the Corporations Act. Adelle Howse, Neil Carter, James Lougheed and Ben Quarry are currently not Directors of the Company, however each is to be appointed following the completion of the Acquisition and because of this are related parties of the Company as defined in Section 228 of the Corporations Act.
6. The Shares the subject of Resolution 3 will be issued in consideration of the transfer to the Company of all the issued shares in Scalare Partners. The Shares issued will be fully paid ordinary shares and are subject to the same rights and obligations and rank equally with all other Shares in the capital of the Company.
7. The Shares the subject of the Offer and Resolution 4 will be issued in consideration for the payment of \$0.25 per Share. The Shares will be fully paid ordinary shares and are subject to the same rights and obligations and rank equally with all other Shares in the capital of the Company. The funds will be for purposes set out in Paragraph 1.3 above.
8. On issue of the Shares under the Acquisition each of the Scalare Partners shareholders will hold Shares in the Company as set out in Annexure A giving them a combined voting power of up to in the Company of 78.9%.

On issue of the shares under the Offer the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and the other Scalare Partners Shareholders who subscribe under the Offer may potentially have power (assuming the New Shares are subscribed for in accordance with Annexure "C) in the Company of 89.4%.

However, as noted above, it is conceivable (although not currently expected by them) that the Scalare Partners Shareholders (or a subset of the Scalare Partners Shareholders) will be Associates of each other in relation to the Company from or after Completion. If they are all Associates of each other from or after Completion, then following the issue of the 72,000,000 Consideration Shares the subject of Resolution 3 and assuming the maximum 9,500,000 New Shares to be issued under Offer the subject of Resolution 4, are in fact issued to Scalare Partner Shareholders each Scalare Partners Shareholder would have voting power in the Company of 89.4%.

9. Following the issue of the Consideration Shares the subject of Resolution 3 and assuming the maximum 9,500,000 New Shares to be issued under Offer are in fact issued then on issue of the Shares pursuant to Resolution 3 and Resolution 4 , the maximum increase in the voting power of each of the associates of the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and other Scalare Partners Shareholders who subscribe under the Offer resulting from the acquisition would be 88.4% (if they were all associates of each other). Associates of any of the individual Scalare Partners shareholders would acquire the maximum increase in voting power of the relevant individual shareholder as set out in paragraph 8 above.
10. The Company and Scalare Partners shareholders have agreed that subject to completion each of Adelle House, Neil Carter, James Loughheed and Ben Quarry will be nominated by the Board as additional non-executive Directors of the Company. The experience and expertise of each of them are set out in Paragraph 1.8 above.
11. The Scalare Partners shareholders' intentions regarding the future of the Company if Resolutions 3 and 4 are approved and the Acquisition and the Offer proceed are with the business plan set out in Schedule 1.

The dividend policy of the Company is a matter for the Board to determine at the relevant time and taking into account the circumstances and strategies at that time. The Scalare Partners shareholders have no intention of influencing the financial or dividend policies of the Company. However, Scalare has set a policy, that at least fifty percent of all net cash investment gains (after tax) will be paid out to shareholders as a dividend. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings,

the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

12. Other than James Walker who is a director and shareholder of Scalare Partners, no current Company Director has a personal interest in the proposed issue of the Company's Shares to the Scalare Partners shareholders under the Acquisition or the Offer

13. The Consideration Shares to be issued under the Acquisition, which are the subject of Resolution 3, will be issued pursuant to the Share Sale Deed. The material terms of that agreement are as follows:

- **Parties:** The Company and the Scalare Partners shareholders are party to the Share Sale Deed.
- **Subject matter:** Each Scalare Partners shareholder agrees to sell their Scalare Partners shares (which together constitute 100% of the issued shares in Scalare Partners) free from encumbrances in consideration for the issue of new the Company Shares (in the numbers specified above).
- **Conditions precedent:** The Acquisition is subject to the satisfaction (or waiver by the party entitled to the benefit) of the following conditions (which the parties must use reasonable endeavours to satisfy):

each of the conditions precedent in the Merger Implementation Deed as outlined in Section 1.6 above being satisfied or waived;

ordinary shareholders executing a Deed of Accession to the Share Sale Deed or otherwise being subject to a drag along under the Scalare Partners shareholders deed; and

certain key management personnel and other Scalare Partners securityholders agreeing to execute escrow agreements.

The final date for satisfaction of the condition in paragraph (iii) is 30 September 2024, after which the Share Sale is liable to be terminated. The conditions must be satisfied or waived by completion of the Share Sale Deed. The Company will advise shareholders as other conditions are satisfied and provide an update on the status of the conditions at the General Meeting.

- **Warranties and indemnities:** The Scalare Partners shareholders provide warranties in respect of Scalare Partners, the Scalare Partners shares and their power title and capacity to sell them to the Company, and an indemnity for breach of warranty, which are typical for transactions of this type. There are typical limitations and qualifications

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on claims for breach for warranty and under the indemnity (e.g. time, quantum, disclosure etc) and a comprehensive claims management regime in place. The Company has also provided warranties to the Scalare Partners shareholders in respect of the Company and its shares, including as to compliance with continuous disclosure obligations.

- **Termination rights:** The Scalare Partners shareholders may terminate the agreement before completion if:
 - (i) an insolvency event occurs in respect of the Company;
 - (ii) a Company warranty is untrue in a material respect;
 - (iii) a material adverse change occurs after the date of the agreement in respect of the Company;
 - (iv) the Company is in material breach of the agreement; or
 - (v) material litigation is commenced against the Company.

The Company may terminate the agreement before completion if:

- (i) an insolvency event occurs in respect of a Scalare Partners shareholder;
- (ii) a warranty given by a Scalare Partners shareholder regarding its title to the Scalare Partners shares and its capacity to sell them is untrue in a material respect;
- (iii) a material adverse change occurs after the date of the agreement in respect of Scalare Partners;
- (iv) a Scalare Partners shareholder is in material breach of the agreement; or
- (v) material litigation is commenced Scalare Partners.

14. The New shares to be issued under the Offer, which are the subject of Resolution 4, will be issued pursuant to the Prospectus. They will be issued for cash of \$0.25 for New Shares.:

15. As set out above, an Independent Expert's Report has been commissioned by the Company and to consider and opine on whether the issue of shares to the Scalare Partners shareholders through the acquisition of Scalare Partners or under the Offer is fair and reasonable in the circumstances of the Company. The report finds that the issue of the Consideration Shares and New Shares under the Offer to the proposed Directors and Managers of the Company on re-admission to the ASX Official List (or entities associated with them) who subscribe for Shares under the Offer and other Scalare Partners shareholders who subscribe under the Offer is fair and reasonable to the Company's existing shareholders. Shareholders should carefully consider the Independent Expert's Report, which is at Annexure D to this Explanatory Statement.

4.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that in any 12-month period, a company can only issue equity securities up to 15% of its issued capital without shareholder approval. The issue of the Shares the subject of Resolutions 1 and 2 is in excess of 15% of the Company's issued capital.

ASX Listing Rule 7.2, Exception 8, provides an exception to the requirement to seek shareholder approval under ASX Listing Rule 7.1 for issues for issues in excess of 15% of issued capital where shareholder approval is obtained under Item 7, Section 611 of the Corporations Act, as is the case here. As such shareholder approval under ASX Listing Rule 7.1 is not being sought from shareholders.

4.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

As noted above James Walker is a director of the Company and each of Adelle House, Neil Carter, James Loughheed and Ben Quarry will become directors on Completion. As such they are each a related party of the Company and as such the proposed issue of Shares under the Acquisition and the Offer to them would normally require approval under Listing Rule 10.11.

However, in accordance with Exception 6 of Listing Rule 10.12, approval under Listing Rule 10.11 is not required where the issue of securities is approved for the purposes of Item 7 of section 611 of the Corporations Act as is the case here.

4.6 Chapter 2E of Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a financial benefit (including an issue of shares) to a related party of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act applies, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting. Section 210 of the Corporations Act contains an exception if a financial benefit is given on terms that would be reasonable in the circumstances if the public company (the Company) and the related party (James Walker as a director and each of Adelle House, Neil Carter, James Loughheed and Ben Quarry as incoming directors) were dealing at arm's length.

In the opinion of the Directors of the Company (other than James Walker), the terms of the agreement to acquire Scalare Partners are reasonable in the circumstances of the Company as if it and the Scalare Partner shareholders were dealing at an arm's length. Factors which support this opinion include that:

- the Company explored a number of other opportunities before reaching agreement with the Scalare Partners shareholders;
- the parties were unrelated in any way prior to entering into the Scalare Partners Acquisition Agreement; and
- there was no undue influence, control or pressure by either party on the other, each party was separately represented in the negotiations and were equally knowledgeable and experienced in relation to transactions of this type and each party sought the best commercial outcome for themselves.

The Offer is available to any person who being eligible subscribes for New Shares and is no more favourable to the New Directors than any other person.

Accordingly, the Company is not seeking approval pursuant to Chapter 2E of the Corporations Act for the issue of shares to the New Bond under the Acquisition or the Offer.

Other than as set out in the Explanatory Statement, there is no further information which the Shareholders would reasonably require to decide whether or not it is in the Company's best interests to pass Resolutions 3 and 4.

A voting exclusion statement in respect of each of Resolutions 3 and 4 is set out in the Notice of Meeting. Each of Resolution 3 and 4 is an Ordinary Resolution.

Directors' Recommendation

The Board of Directors (other than James Walker who being conflicted and makes no recommendation) recommend Shareholders vote for each of Resolutions 3 and 4.

The Chair intends to vote all undirected proxies in favour of Resolutions 3 and 4.

Resolution 5 – Approval of Issue New Shares and Broker Shares

5.1 General

Resolution 5 seeks Shareholder approval to issue up to a maximum of 32,000,000 Shares (on a post- Consolidation basis) at an issue price of \$0.25 per Share under the Offer (New Shares) and 1,200,000 Share to Novus Capital Limited (or its nominees) on a successful completion of the Offer (Broker Shares).

Resolution 5 is an ordinary resolution.

Resolution 5 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

The Company intends to raise up to \$8,000,000 under the Offer which will be the maximum subscription (Maximum Subscription).

5.2 Application of ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The issue of New Shares and the Broker Shares will not fall into these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under ASX listing Rule 7.1.

If Resolution 5 is passed, it will allow the Company to issue up to 32,000,000 New Shares and 1,200,000 Broker Shares on a post-Consolidation basis (subject to rounding) during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Scalare Partners and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued. Should that occur then the Company is likely to be delisted from the ASX on 15 October 2024.

5.3 Specific information required by ASX Listing Rule 7.3

The following information is provided in relation to the proposed issue of Shares pursuant to and in accordance with ASX Listing Rule 7.3:

Information	Detail
The names of persons to whom the Company will issue the securities	The Offer for New Shares will be available to investors in Australia. The Broker Shares will be issued to Novus Capital Limited or their nominees.

<p>Maximum number of securities and class of securities</p>	<p>The maximum number of New Shares to be issued (on a post-Consolidation basis) is 32,000,000 New Shares (subject to rounding). The maximum number of Broker shares to be issued is 1,200,000 (on a post-Consolidation basis).</p> <p>The New Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue.</p>
<p>The date by which the securities will be issued</p>	<p>The New Shares and Broker Shares are proposed to be issued one day prior to Completion and in any event no New Shares or Broker Shares will be issued later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).</p>
<p>The issue price</p>	<p>The issue price for the New Shares under the Offer will be the Offer Price of \$0.25 per New Share. The Broker Shares will be issued for an issue price of \$0.25 each.</p>
<p>Intended use of the funds raised</p>	<p>See Section 1.3 for the use of funds in respect of the issue of the New Shares. No funds will be raised through the issue of the Broker Shares.</p>
<p>Material terms of the agreement under which the securities are being issued</p>	<p>N/A in respect of the New Shares The New Shares will be issued under a Prospectus.</p> <p>The Broker Shares are to be issued pursuant to a mandate dated 7 August 2024 between the Company and Novus Capital Limited whereby Novus Capital would act as the lead manager to the Offer. In consideration for these services the Company has agreed to pay the following:</p> <ul style="list-style-type: none"> • \$12,000 engagement fee; • \$25,000 lead manager/sponsoring broker fee; • A placement fee 5% of capital raised (with a rebate to the Company for

	<p>funds raised from funds raised by the Company);</p> <ul style="list-style-type: none"> • A 1% management fee on all funds raised; and • The issue of the Broker Shares on a successful completion of the Offer. <p>Some or all of the placement fee and Broker Shares may be paid or issued to third parties that assist Novus Capital Limited in raising the funds under the Offer.</p> <p>The terms of the mandate are otherwise similar to those found in arrangements of this type.</p>
Voting exclusion statement	A voting exclusion statement is contained in Resolution 5.

5.4 Effect on capital structure

The approximate effect which the issue of New Shares and the Broker Shares will have on the Company's capital structure post Completion is set out in Section 2.7 above. All numbers are subject to rounding.

5.5 Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

The Chair intends to vote all undirected proxies in favour of this Resolution.

Resolution 6 – Change of Company name

6.1 General

Section 157 of the Corporations Act requires the members to pass a special resolution to change the Company's name. Accordingly, Resolution 6 seeks Shareholder approval for the Company to change its name to "Scalare Partners Holdings Limited".

The Board considers that the change of name is appropriate on the basis that it more accurately reflects the proposed future operations of the Company on Completion.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If this special resolution is approved by Shareholders, the proposed name change of the Company will be lodged with the ASIC. The change of name will take effect on the date that ASIC alters the details of the Company's registration but will be shortly after Completion of the acquisition of Scalare Partners.

If Resolution 6 is passed the ASX code of the Company will change to "SCP".

If Resolution 6 is not passed, the Company name will remain Candy Club Holdings Limited.

6.2 Directors' Recommendation

The Board of Directors recommend Shareholders vote for Resolution 6.

The Chair intends to vote all undirected proxies in favour of Resolution 6.

Resolution 7 – Approval of Issue of Securities under the Equity Incentive Plan

7.1 General

The Board has adopted an Equity Incentive Plan (EIP).

Resolution 7 seeks Shareholder approval for the issue of securities under the EIP in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

Resolution 7 is an ordinary resolution.

7.2 ASX Listing Rule 7.1 and ASX Listing Rule 7.2 (Exception 13(b))

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

ASX Listing Rule 7.2 (Exception 13(b)) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, Shareholders have approved the issue of equity securities under the scheme as an exception to ASX Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the EIP does not exceed the maximum number set out in the Notice of Meeting. Exception 13(b) also ceases to be available if there is a material change to the terms of the EIP from those set out in the Notice of Meeting.

The effect of Resolution 7 will be to allow the Company to issue EIP Rights, EIP Options and/or EIP Restricted Shares (and the issue of all resultant shares in the Company that are able to be allocated as a result from the vesting and/or exercise of EIP Rights or EIP Options) up to the amount stated in Section 7.5 during the period of 3 years after the Meeting, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

The Company will still be required to seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of EIP Rights, EIP Options or EIP Restricted Shares under the EIP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will not be able to rely on Exception 13(b) under ASX Listing Rule 7.2 for the issue of EIP Rights, EIP Options and EIP Restricted Shares under the EIP and the issue of EIP Rights, EIP Options and EIP Restricted Shares under the EIP to eligible participants will remain subject to the 15% placement capacity on issuing securities without Shareholder approval set out in ASX Listing Rule 7.1.

7.3 Summary of the terms of the Equity Incentive Plan

A summary of the EIP is set out in Annexure E.

7.4 Securities issued to date

The Company has not issued any other EIP Rights, EIP Options or EIP Restricted Shares under the EIP.

7.5 Maximum number of securities

The maximum number of EIP Rights, EIP Options and EIP Restricted Shares proposed to be issued under the EIP following approval under Resolution 7 is, and the maximum number of shares in the Company that may be issued assuming the vesting and exercise of all EIP Rights, EIP Options and EIP Restricted Shares, is 13,500,000 on a post-Consolidation basis, including the LTI Options proposed to be issued under Resolution 7.

It is not envisaged that the maximum number of EIP Rights, EIP Options and EIP Restricted Shares for which approval is sought will be issued immediately.

7.6 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

Resolution 8 - Directors Fees

8.1 General

The Company is currently permitted to pay as fees to non-executive directors an aggregate total of \$250,000 per annum. This limit was set at the 2019 annual general meeting.

On completion of the Transactions the board will expand from 3 directors to 5 directors each of whom will be non-executive directors.

Given the expansion of the size of the Board and the effluxion of time since the last increase in the aggregate fees to be paid to directors the Board believes that the aggregate amount payable to directors by way of fees in each year should be increased to \$600,000 (i.e. an increase of \$350,000 per annum).

It is currently expected that the new Board be paid fees of a total of \$290,000 per annum which is less than the proposed amount to which the aggregate permitted fees be increased to. The remaining balance will allow the Board to recruit new non-executive directors as needed and to ensure the Board is appropriately remunerated without having to seek shareholder approval for an increase in fees for the foreseeable future.

The following securities were issued to former directors with shareholder approval under ASX Listing Rules 10.14 to 10.17 in the 3 years prior to the date of this notice of meeting:

Director's Name	Number of Securities
Gary Simonite (indirect)	84,688,918
Keith Cohn (indirect)	1,000,000
James Baillieu	7,785,865

The above table shows the number of Shares which were issued but not the impact of consolidations of capital which have or are proposed to occur.

It is noted that it is proposed Gary Simonite be issued 214,290 Shares on a post-Consolidation basis in the Company pursuant to resolution 9 in lieu of directors fees due to him.

Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

Resolution 9 - Issue of shares for outstanding Director Fees

9.1 General

Gary Simonite was appointed a director on 25 May 2023. To date, director's fees due to Mr Simonite have been accrued and as at the date of the meeting will total \$53,572.50

Gary Simonite has agreed as part of the Transactions that his outstanding director's fees be converted into 214,290 Shares in the Company at an issue price of \$0.25 each on completion of the Transactions.

Resolution 9 seeks shareholder approval for the issue of the 214,290 shares on Completion of the Transactions to Annerley Property Holdings Pty Ltd, a company controlled by Gary Simonite, in full and final settlement of director's fees due to him.

9.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. Under the ASX Listing Rules, related parties include Directors of a Company and persons whom the Company reasonably believes will become a related party in the future. As such, Gary Simonite is a related party of the Company as is Annerley Property Holdings Pty Ltd .

As the issue of Shares to Annerley Property Holdings Pty Ltd is to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Resolution 9 seeks the required Shareholder approval to proceed with the issue of Shares to Annerley Property Holdings Pty Ltd pursuant to and in accordance with ASX Listing Rule 10.11.

If Resolution 9 is not passed the Company will not be able to proceed with the issue of Shares to Annerley Property Holdings Pty Ltd and the amount of director's fees due to Gary Simonite will remaining outstanding a s a liability of the Company.

9.3 ASX Listing Rule 7.1

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Approval pursuant to ASX Listing Rule 7.1 is not required to issue New Shares to the Related Party Participants if approval is obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares to Annerley Property Holdings Pty Ltd will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

9.4 Specific information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) 214,290 Shares will be issued to Annerley Property Holdings Pty Ltd as nominee of Gary Simonite;
- (b) the maximum number of Shares to be issued to Annerley Property Holdings Pty Ltd (on a post-Consolidation basis) is 214,290
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) as detailed above as Gary Simonite is a director of the Company, he is a related party to the Company and Annerley Property Holdings Pty Ltd, being a company controlled by Gary Simonite, is also a related party to the Company;
- (e) the Shares will be issued at \$0.25 per Share which is the same price that New Shares will be issued under the Offer.
- (f) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the purpose of the issue and the intended use of the funds as a result of the issue is the payment of director's fees owed to Gary Simonite;
- (h) the Shares to be issued to Annerley Property Holdings Pty Ltd are being issued to pay outstanding director's fees owed to Gary Simonite and are not being issued under an agreement;
- (i) a voting exclusion statement has been included in the Notice of Meeting.

9.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

The Chair intends to exercise all available proxies in favour of Resolution 9.

Enquiries

Shareholders are asked to contact the Company Secretary at catriona.glover@tearum.com.au if they have any queries in respect of the matters set out in these documents.

Glossary

Acquisition means the acquisition by the Company of all of the shares on issue in Scalare Partners

Acquisition Resolutions means Resolutions 1 to 5 inclusive in this Notice of Meeting

ASIC means Australian Securities and Investment Commission.

Associate means a person who is an associate of another person for the purposes of Chapter 6 of the Corporations Act 2001.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the board of Directors of the Company from time to time.

Broker Shares means 1,200,000 Shares to be issued to Novus Capital Limited on the requotation of the Company's Shares on the ASX Official List.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Company means Candy Club Holdings Limited ACN 629 598 778.

Consolidation means a 56 to 1 consolidation of the Company's share capital.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Deed of Accession means a deed to be signed by each Scalare Partners Vendor whereby they agree to be bound by the Share Sale Deed

Director means a director of the Company.

Directors and Managers means the persons who will be the Directors and Managers of the Company upon completion of the Transactions

Dollar or "\$" means Australian dollars.

EIP Plan Rules or **Plan Rules** means the rules of the EIP

EIP Options means an Option issued pursuant to the EIP

EIP Rights means rights issued pursuant to the EIP

EIP Restricted Shares means restricted shares issued under the EIP

Equity Incentive Plan or **EIP** means the equity incentive plan to be adopted pursuant to Resolution 7 a summary of the terms of which are set out in Annexure E

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Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Extraordinary General Meeting or **EGM** or **Meeting** means the Extraordinary General Meeting of the Company's members convened by this Notice of Meeting.

Group means the Company and Scalare Partners and its subsidiaries

Maximum Subscription means the issue of 32,000,000 Shares under the Offer

Merger Implementation Deed means a deed between the Company and Scalare Partners setting out the basis upon which the Company and Scalare Partners will conduct the Transactions.

Minimum Subscription means the issue of 16,000,000 Shares under the Offer

New Shares means up to 36,000,000 Shares to be issued under the Offer

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting dated 21 August 2024 including the Explanatory Statement.

Offer means the offer to issue the New Shares under the Prospectus

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Prospectus means a prospectus to be issued by the Company in relation to the Offer

Proxy Form means the proxy form attached to this Notice of Meeting.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Scalare and **Scalare Partners** means Scalare Partners Pty Ltd ACN 635 225 886

Scalare Partners Vendors means shareholders of Scalare Partners who are selling their shares pursuant to the Share Sale Deed

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Share Sale Deed means an agreement between the Company and Scalare partners pursuant to which the Company will acquire all of the Shares in Scalare Partners

Share Registry means Automic Pty Ltd.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Transactions means the transaction governed by the Merger Implementation Deed and the Share Sale Deed which will see the Company acquire all of the shares in Scalare Partners, the issue of Shares under the Offer and re-quotations of its Shares on the Official List of the ASX.

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Schedule 1 Details of Candy Club Limited and Scalare Partners Pty Ltd

Candy Club Holdings Limited

The Company was founded in 2014 and is based in Sydney, Australia. It is currently not trading and ASX suspended.

The Company was a specialty market confectionery company which engaged in a business-to-business and business-to-customer online candy business in the USA. The company offered sugar confectionery, chocolates and gums.

On 11 October 2022 the company's shares were suspended, pending the outcome of re-financing discussions with a USA based investment bank. The discussions did not produce a satisfactory result. On 25 October 2022 Voluntary Administrators (VA) were appointed.

The VA commenced a re-capitalisation campaign. After receiving no viable offers, the VA called a meeting pursuant to Section 439A of the Corporations Act to decide the company's future. The USA business was insolvent and all USA assets were under a secured charge to a USA based lender. The VA reported to creditors that the shares in the USA subsidiary were of nil value and sold those shares for a nominal sum.

On 31 January 2023 the Company signed a sales agreement to formally dispose of its wholly owned subsidiary, Candy Club Holdings Inc. and its subsidiaries. The disposal has been accounted for as an adjusting post balance date event on the basis that settlement on 31 January 2023 was considered to be a mere formality of disposal arrangements that commenced after the Company entered voluntary administration.

On 31 January 2023, the company negotiated the full settlement of the bridging finance, via a third party where the third party assumed the liabilities and the third party settled the debt. On 7 February 2023, the Voluntary Administration ended, and new Directors were appointed to constitute a new board.

On 25 May 2023, shareholders approved a 24 to 1 consolidation of shares and options, the issue of new shares, and appointment of new directors. On 26 June 2023, the company issued 84,688,918 fully paid ordinary shares valued at \$0.00236 per share, raising \$200,000, before costs.

The Company remains suspended and is not trading. In order to have its Shares traded again the Company has agreed to acquire all of the shares in Scalare, seek to raise a minimum of \$4 million under the offer and apply for re-listing of its Shares on the ASX.

Scalare Partners Pty Ltd

Scalare Partners Pty Ltd was incorporated on 1 January 2020.

Scalare was created by the three founders as a means to scale their passion for supporting the early-stage technology sector. All three have a long history of working in and investing in early-stage technology companies and have founded, grown and successfully exited multiple businesses in their own right.

It is this understanding of what is required to build successful technology businesses that led to the founding team designing a differentiated business model with an attractive long term return profile. One that combines

cash generated from direct involvement supporting a wide selection of companies in the sector to fund direct investment in a narrow selection of the most attractive companies from the sector.

Scalare believes that when its investment in a business is tied to our experienced Scalare team of experts being involved in that business it should lead to better and faster outcomes and have less chance of failure.

With early successes the founding team hired a full time Chief Executive Officer, Carolyn Breeze in February 2023. Since this appointment Scalare has seen an acceleration in our go to market execution and operational activities, including a significant increase in the number of services being offered, customer growth and revenues generated.

Scalare is currently a team of nine, with two located outside of Australia in Indonesia and the Philippines. It has also built a highly engaged early-stage technology community of nearly four hundred people who are interested in being involved in the wider global ecosystem. This includes making direct investments, introducing new business founders for us to work with, providing time for mentoring and advice and getting involved in a selection of our portfolio companies.

Scalare is deeply involved in the broader technology ecosystem, driving change through impactful initiatives such as the Australian Technology Competition (ATC) and its "Be the Change" program and the recently acquired Tech Ready Women (TRW) business.

Through these initiatives Scalare works with government and corporates to support and promote the most promising technology businesses and their founders. Its focus extends to working with female and culturally diverse founders, addressing the specific challenges they encounter in fundraising and scaling their businesses. This engagement not only enriches the tech landscape but also creates lucrative revenue and investment opportunities for Scalare.

In April 2023 Scalare acquired the Australian Technology Competition for the purpose of expanding Scalare's reach into the early-stage technology ecosystem. As a result of acquiring the ATC Scalare has gained new customers for its products and services and has invested in three of the applicants.

The ATC is government and corporate sponsored and is one of Australia's oldest and most prestigious awards for innovative Australian technologies with global growth potential. The ATC has existed for over thirteen years.

In May 2024 Scalare acquired Tech Ready Women Pty Ltd. TRW's programs and communities accelerate the tech and start-up journey for female technology business founders by providing world class mentoring and training in tech and business.

TRW has been in business for nearly five years. Over 5,000 future business leaders have been through the TRW program. The business has traditionally focused on the Sydney and Melbourne market but has recently started to expand into regional areas as well as into other States. Scalare intends to expand TRW across Australia but will also launch TRW into the US, through its plans to create a Scalare Partners office on the West Coast USA.

Scalare has and will continue to make direct investments into selected outstanding early-stage technology businesses that it works with. When Scalare invests, it tends to invest at part of the "first professional investor round", which can be traditionally viewed as "Pre-Seed", "Seed" or sometimes "Series A" rounds. Scalare invests with its own cash reserves and does not operate via a fund or other alternative structures. Historically,

Scalare has occasionally invested in follow on rounds for its investee companies. Part of the reason for this Offer is to allow Scalare to consider more “follow-on” investments, if appropriate, for its most successful portfolio companies.

Scalare’s strategy is to only invest in the best of the best companies it works with where Scalare can assist the company with its own growth plans. That is, Scalare ideally has to be actively involved and “add value” to the company for Scalare to consider investing at all. To date, Scalare’s emphasis has been to invest in the Australian technology sector but has built a portfolio spanning across diverse geographies, including Australia, USA, New Zealand, Singapore, UK, and Europe.

Since it was established, Scalare has invested in a total of 30 early-stage companies, with 7 based overseas. In that time, Scalare has had three complete and 1 partial exit and therefore has 27 companies in the current portfolio.

The investment portfolio makes up a significant portion of Scalare’s current paying customer base for its products and services. This percentage is expected to decrease over time as more and more companies take up the products and services.

Scalare combined business approach – supporting and investing activities

At the heart of the Scalare business model is the provision of support, via products, services and expert advice tailored to the specific needs of high growth, early-stage technology businesses. After a thorough business review and due diligence process Scalare may also invest in what it considers to be the most attractive of these companies.

Scalare’s strategy is to build a profitable services business that generates sufficient cash reserves to fund future annual investments, reducing the need to raise further funds from the market. As investments are realised distributions can be made to provide future liquidity and income for Scalare Partners Shareholders.

Scalare’s deep involvement in the wider early-stage technology sector through paid mentoring, advice and services allows it to have a greater understanding of the needs of the ecosystem participants and the companies operating within it. Scalare sees continued opportunities to expand its range of products and services through internal technology development activities, expanding the team and strategic acquisitions.

Through our day to day operational involvement Scalare is uniquely placed to better understand the risks, challenges and opportunities these companies will face as they scale. This allows us to expand our service offering to accurately meet the market demand and therefore build a market presence that positions Scalare as a partner of choice for tech founders as they build successful high growth businesses.

This market presence and deep understanding of the individual business puts Scalare in a preferred position to access investment opportunities as these companies come to raise capital. This combined with the Scalare team’s own entrepreneurial experiences and sector knowledge helps Scalare to make better investment decisions. For the same reason, the ongoing involvement in these businesses means that we can identify opportunities and issues earlier and therefore provide additional assistance prior to an incident or event impacting the performance and / or valuation of the portfolio company.

At a group level, Scalare also de-risks its overall investment position by taking a portfolio approach to create diversification. That is, Scalare has already invested in twenty-eight companies and intends to complete around eight new investments per annum. This portfolio approach is also extended by limiting the amount invested in

each company, being set at a maximum of \$250,000 per company. To date, we have averaged approximately \$150,000 invested per company.

Each investment is further de-risked by the provision of services to those companies allowing the profits generated from those services to be offset against any potential loss of the original amount invested.

Our approach to building a highly scalable and profitable operating business to fund our ongoing investments and our approach to investing are described in more detail below.

Building a more diverse technology ecosystem

Scalare believes that a more diverse technology ecosystem leads to better companies and better outcomes for all.

From our inception we have been operating under our “Be the Change” commitment. That is, we believe that real transformation and growth takes more than money, and to be successful over time, companies must not only deliver financial performance but also make a positive contribution to the community and the environment.

As an integral part of our values, we are committed to improving gender balance and cultural diversity within technology entrepreneurship. Through our ‘Be the Change’ initiative, we work to:

- Foster a community of greater gender balance and cultural diversity among our community of Founders, Advisors and Investors
- Help our Founders build diversified teams and boards
- Form strategic partnerships and participate in networks to further the diversity agenda within the tech community and highlight positive role models from our community

This approach is reflected and supported by our actions of acquiring and growing the Australian Technologies Competition and Tech Ready Women as well as our investment decisions. That is, 32% of the current portfolio was either founded by a female founder or is currently led people from ethically and culturally diverse backgrounds.

Scalare brands

Scalare operates its services business through four separate business units, being Scalare Partners, Tech Ready Women, the Australian Technology Competition and its recently launched Ascend.

Scalare Partners provides hands on support for companies in the ecosystem. Services are focused on the following areas: Commercial, Capital Raising, Accounting and Finance, Marketing, Products and technology, Corporate Governance, People and Culture and Operations.

Tech Ready Women (TRW) helps female founders start their tech and startup journey by providing them with world class mentoring and training in tech and business.

TRW provides educational and mentoring services, including an eight week Female Founder Start-Up program, an Investment Ready Program as well as a membership to TRW Female Founder Connect.

The Australian Technologies Competition (ATC) is a national growth and awards program designed to showcase and promote innovative Australian technologies with global growth potential.

The competition is open to Australia-based technology companies across various sectors including clean energy, fintech / regtech, medtech, critical technologies (Web3), advanced manufacturing, social impact, and many more.

Participants have access to connect with investors, mentors, and industry experts, ultimately helping them to scale and grow their businesses. Semi-finalists receive mentoring, intensive Masterclass sessions and networking opportunities while finalists pitch their technology to a panel of judges and ultimately become an awards category winner.

Our recently launched proprietary digital platform, Ascend is designed to address founder's most pressing challenges through structured programs in an efficient and affordable manner.

Scalare services

At the heart of the Scalare business model is the provision of products, services and expert advice tailored to the specific needs of high growth, early-stage technology businesses. Services are offered under our separate brands and are described below.

Scalare Partners hands on support services

Scalare Partners provides hands on support for companies in the ecosystem, including:

- Commercial – build and lead the go to market strategy, optimise pricing models, streamline customer journeys and maximise market potential.
- Capital Raise – provides expert guidance to plan capital raising as well as help to secure or lead funding rounds, creating compelling pitches and meeting investor expectations.
- Accounting and finance – developing the right financial strategy with accurate accounting services, focussing on accurate forecasting and optimal cash burn rate management.
- Marketing – develop impactful marketing strategies to build a brand, enhance visibility and drive customer acquisition
- Product and technology – ensure the product roadmap is robust and avoid tech debt with Scalare's expert guidance and strategic support
- Corporate governance – implement strong yet sensible corporate governance practices for the businesses' stage of growth and maturity to build ethical operations and investor confidence
- People and Culture – create a thriving culture to attract top talent and implement effective HR practices for sustained growth
- Operations – build on existing business operations with our expert support to drive efficiencies, scalability and seamless growth.

In addition to these services Scalare charges an upfront Support Fee for any investments it makes. This fee, typically twenty thousand dollars, covers the first year of the portfolio company's engagement in the Scalare community activities, including regular cross portfolio founder meetings, educational seminars, attending / speaking at our twice a year community live events, assisting with introductions and access to our reference library. The fee is deducted from the amount invested in the company so is received upfront.

Each of these services are critical when building a successful early-stage business as founders can not be experts in all these areas. By working with Scalare, founders are given the support they need, as and when required. All

without being burdened with unnecessary costs of full-time employees at such an early stage in their growth cycle.

Our services are provided by experienced experts in each area, either from the current team or hand-picked external experts contracted in for a specific assignment.

Scalare offers various levels of service to match the customer's requirements, with most services provided on a monthly cash retainer basis or a combination of a smaller retainer with a cash based success fee component.

In addition to the profit margin generated on each of these services Scalare learns a great deal about our customers over the term of our engagement. This initial service often leads to the customer requesting additional services and assistance as they scale.

Once a company achieves a certain level of scale and maturity Scalare may experience a reduction in certain services being provided to that individual company as it can employ resources inhouse to manage its growth. An example could be a reduction in the accounting and finance services as the company employs a full time CFO.

Being involved in these aspects of the customer's business means we are also better educated on the business opportunity, the team's ability to execute and be successful and therefore leads to be informed investment decisions when our customers are raising growth capital.

Part of the funds Scalare is raising funds under this Offer to fast track the digitalisation of these services so we can scale and build recurring revenue streams faster.

Tech Ready Women services

Tech Ready Women provides educational and mentoring services, including an eight week Female Founder Start-Up program, an Investment Ready Program as well as a membership to TRW Female Founder Connect.

These services are all cash based and are well supported by corporate and government sponsorships. To date TRW has been operated profitably.

In addition to being a profitable business the TRW acquisition brings considerable benefits to the Scalare business model. That is, Scalare can now build a relationship with over the 1,200 alumni and paying members, which may lead to a greater take up of Scalare's products and services as the members look to grow their own businesses. This should also provide leads to more investment opportunities.

Scalare is raising funds under this Offer to expand these services across Australia and through other channels, such as Universities, Regional Councils and internal corporate programs.

The Australian Technologies Competition

The Australian Technologies Competition (ATC) recognises and accelerates homegrown scaleups with global potential. It is a national growth and awards program designed to showcase and promote innovative Australian technologies with global growth potential. The competition is open to Australia-based technology companies across various sectors including clean energy, fintech, regtech, medtech, critical technologies, advanced manufacturing, social impact, and more. Successful entrants have access to connect with investors, mentors, and industry experts, ultimately helping them to scale and grow their businesses. Semi-finalists receive

mentoring, intensive MasterClass sessions and networking opportunities while finalists have a chance to pitch their technology to a panel of judges and ultimately become an awards category winner.

The ATC does not derive revenue by charging entrants to apply but through annual corporate and government sponsorship programs. These programs are all paid for on a cash basis only. ATC has been profitable to date.

In addition to being a profitable business the ATC acquisition also brings considerable benefits to Scalare. Scalare has and will continue to build a relationship with current and previous applicants. This relationship enhances one of our objectives of being a leader in the early-stage technology ecosystem, as well as providing an opportunity to offer our support products and services to this group of companies as they look to grow their own businesses. This relationship may also generate leads to more investment opportunities.

Ascend

Ascend is Scalare largest offering to the early-stage tech ecosystem.

Ascend is a highly scalable, repeatable digital offering focussed on solving founder's most pressing problems. Ascend offers intensive, four-week "problem-based" programs designed to tackle founders' biggest challenges. Collaborating with Australia's top start-up experts across eight key business areas, we deliver cutting-edge frameworks, IP, and insights.

This purpose-built diagnostic tool helps founders identify and prioritise high-impact problems from the very beginning. Ascend is committed to being the most affordable and accessible solution for founders seeking real results.

In addition to generating cash-based revenues the Ascend program is fundamental to the Scalare business model. As companies apply our high level diagnostic tool to their business they understand where they need assistance now and how Scalare can help. It is expected that this leads to a deeper engagement, the provision of additional services while getting to understand more about the business and the founding team.

When a client is ready to raise capital it is likely that Scalare will be assist them to be "capital-raise ready", manage the capital raise process and if suitable, lead the investment round.

Non-executive director or advisory board roles

Key to any investment Scalare makes is that Scalare has the right to appoint a non-executive director or as an advisory board member for a limited period of time, usually for the first three years.

Scalare's preferred remuneration model for these services is to take equity, usually in the form of attractively priced and conditioned structured options. Over time, the value of the equity earned due to the provision of a non-executive director services can be significant. This approach allows Scalare to potentially increase its investment in the companies selected.

Go to market and growth strategy

Scalare's go to market strategy for customer and investment opportunities is two-fold and interconnected.

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Active involvement in all aspects of the early-stage tech company / founder community

Scalare is actively involved in all aspects of the founder / early-stage technology ecosystem. This includes, speaking at community events, operated by Scalare and other industry players, community newsletters, the Australian Technologies Competition and Tech Ready Women.

This presence means that Scalare is well known throughout the ecosystem and is regularly approached for assistance, advice and investment. In addition to these inbound opportunities Scalare, through the ATC and TRW develops its own opportunities for both service revenue and investments.

Scalare's own community and recent acquisitions

Scalare's own community of over four hundred founders, investors and advisers is also a great source of opportunities.

Scalare has internal resources focussed on engaging with the wider ecosystem and our community in a regular and meaningful way.

Through this engagement Scalare has numerous candidates for Scalare support services, Ascend digital courses, TRW memberships and courses and sponsorships for the ATC.

Once Scalare engages with a founder/company via services or through the investment process this leads to a discussion about other potential areas of support. That is, services often lead to investment opportunities and investment candidates often become services opportunities.

Investing

In addition to building a profitable mentoring, advice and services business in the early-stage technology sector Scalare's plans to generate additional profits via investment returns in a selection of those early-stage, high-growth technology companies.

Scalare has already invested in a total of 30 companies and intends to build on that number by making new investments of up to eight companies per year. With funding from this Offer Scalare will also be able to make follow on investments in a selection of the more successful portfolio companies.

Scalare manages the entire selection, due diligence and original investment for the companies selected. Scalare does not manage an investment fund as its investment are made directly with its own funds. This means that Scalare receives the full benefit and carries the full risk of that ownership.

While Scalare does invest in companies with different growth and capital raising histories Scalare's preferred investment approach is to invest when a company is taking investment for the first time from professional investors.

Investment objectives

Scalare's investment objectives are:

- deliver long term returns to Shareholders from the realisation of capital gains generated from its portfolio
- support these longer term returns by building a recurring profitable services business that generates cash for new and ongoing investments in early-stage technology companies

- provide Shareholders with exposure across a large number of high growth, technology companies with international potential
- provide Shareholders with the ability to invest in an asset class (early-stage tech) that is usually only available via unlisted investment companies or venture capital investment funds.

Scalare intends to offset some of the risks of investing in early-stage technology companies (a highly speculative asset class) in a number of ways. This includes the following:

- investing no more than \$250,000 in each company so any individual company failure is unlikely to be material on its own
- already invested in twenty-eight companies establishing an attractive track record and allowing Shareholders to understand the types of investments Scalare is focussed on.
- by providing services to the portfolio companies where the revenues for these services can ultimately be greater than the original amount invested.
- As a listed company, Scalare offers Shareholders the potential for a more liquid and more accessible investment instrument.

Investment approach

Scalare is focussed on assisting and investing in high growth potential, early-stage technology companies.

Scalare's investment approach is broad and flexible and allows Scalare to invest across a multiple of sectors and geographies. However, our guiding principles of working with (by providing services) and investment in companies are as follows:

- A technology centric business with significant potential
- Operating in a large and fast growing market
- International aspirations and applications
- An impressive founder and foundation team who inspire others
- A passionate founding team that deeply understands the problems they are looking to solve
- A founding team that are open to mentoring, advice and assistance
- Existing product market fit supported by commercial validation (ie. initial customer revenues)
- A track record of meeting key milestones to build conviction on future forecast and objectives.
- Scalare must be convinced that it can add value and assist the company deliver on its plans

Investment decisions are made by the Scalare investment committee. Historically, this has consisted of the senior leadership team of the CEO, the CFO and the co-founding and other partners. Post Completion, the Investment Committee will be expanded to include at least two of the Group's non-Executive Directors.

For investment, Scalare also aims to negotiate a remunerated non-executive director or advisory board role to ensure we have a formal mechanism to be active in the business. Remuneration for this role usually is in the form of equity options in the company.

While identifying and providing additionally remunerated services to our portfolio companies is important Scalare does not mandate portfolio companies to use our services. Scalare has to show the value being offered to by appointing Scalare to provide the services required.

Scalare does not mandate a prescribed minimum or maximum percentage ownership requirement but typically holds between 2-20% of the company invested in.

Scalare often co-invests with other early-stage technology investors to ensure the company is well positioned for future fund raising and growth. Historically, eligible Scalare Partners Shareholders have also co-invested when Scalare decides to invest. The Company intends to continue this practice, post Completion.

With our deep exposure to the sector, through our multiple brands, touchpoints and offerings described above, Scalare has access to hundreds of investment opportunities each year. This deep pool of opportunities allows Scalare to be selective as our plans are to only invest in up to eight new businesses each year.

Why focus on early-stage technology companies?

Scalare believes that its skill sets, service offerings, company culture and individual team direct experiences are ideally suited to working with early-stage technology founders and their companies. It is a sector and mindset that drives the team.

While there is a higher risk of company failure at this early stage of the company's development the ability to earn superior returns is also possible. and we have multiple examples of this in our current portfolio.

Our business model which leads to a deep engagement with the founder should reduce the risk of overall company failures as the senior Scalare team have started their own businesses and are aware of the early signs of failure and therefore can act quickly to resolve any issues.

Business Plans

Assuming minimum subscription is raised the Company will:

Increase digitalisation of services

A portion of the Offer proceeds are being dedicated to our own technology developments to fast track current digitalisation of products/services and subscription/membership programs.

This should lead to faster take up of our services through scaling the offering and less reliance on management time and materials. These services will also be delivered on higher margins and will be more widely available.

Expand Tech Ready Women

A portion of the Offer proceeds are being dedicated to expand the Tech Ready Women business nationally across Australia. Traditionally TRW has focused on NSW but with additional funds available we will open the business in other States and through the regions.

Expanding to the USA

A portion of the Offer proceeds are being dedicated to offering the Scalare support services and Tech Ready Women to the US market.

Scalare already has one portfolio company headquartered in the USA and various remaining portfolio companies generate revenue from that market.

A recent review of the companies in our wider community has indicated that many are requesting assistance on how best to enter the US market. The Scalare team has direct experience and is providing advice in this area.

With guidance from our current non-executive director, James Lougheed, we are developing a plan on how to start to provide services to US based early-stage, high growth companies.

The initial approach will be customer / services led with any investment opportunities managed and processed through the existing systems and team in Australia.

Increase Portfolio of Investments

A portion of the Offer proceeds are being dedicated to making additional investments in a selection of either new early-stage technology business that meet our investment criteria or make follow-on investments in a selection of existing portfolio companies as they undertake new capital raises.

Use of Funds

The proposed use of Funds under the Offer is as follows:

USE OF FUNDS	Minimum Subscription	Maximum Subscription
Establish Scalare Partners USA office	\$400,000	\$500,000
Expand Tech Ready Women nationally and in the USA	\$100,000	\$200,000
Technology development to fast-track current digitalisation of products/services and subscription/membership programs	\$200,000	\$500,000
Investments in existing and new portfolio companies	\$1,600,000	\$2,400,000
Working Capital	\$1,058,000	\$3,638,000
Costs of the Offer – fundraising	\$240,000	\$360,000
Costs of the Offer – ASX, legal, accounting, other support services	\$402,000	\$402,000
Total use of funds	\$4,000,000	\$8,000,000

Notes: The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of activities, operational and development activities, regulatory

developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

Summary of Key Risks

The business, assets and operations of the Group are subject to certain risks that can influence operating and financial performance in the future. These risks have the potential to impact the value of an investment in the Company.

The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. However, it is noted that some risks are unforeseen and therefore the extent to which these risks can be effectively managed is somewhat limited.

Set out below are specific key risks that the Company is exposed to if the transaction proceeds.

Risk	Description
New customers	<p>Scalare's ability to profitably scale its business is reliant on adoption and ongoing growth of its customer base to increase revenues and achieve profitable operations.</p> <p>Failure to expand in this way may materially and adversely impact the Company's ability to achieve future profitability.</p>
Loss of key management personnel	<p>The Company relies on its ability to retain senior management and experienced personnel.</p>
Limited trading history	<p>Scalare has a limited trading history as it started operations in January 2020.</p>
Investing in businesses in growth and early stage of development	<p>Investments made by Scalare are expected to be in businesses that are in growth or early stages of development. The impact on these businesses if risks eventuate may be more pronounced because of their stage of development. Businesses of this nature may not have sufficient operating cash flows to fund business operations and may therefore need additional capital in the future.</p> <p>Scalare may not be able to reliably estimate the likely future revenues, profitability or returns from these investments with any reasonable degree of certainty.</p>

<p>Assets, investments and market risk</p>	<p>There is a risk that the value of the assets or securities invested in by Scalare may be volatile and decline in value over the short or long term or be difficult to calculate. The return, and expected return, on Scalare’ portfolio companies may be affected by a number of risks discussed in other sections of this Section 7, which are outside the control of Scalare.</p> <p>These risks may impact the value, or perceived value, of Scalare’s portfolio companies which may impact the performance of the Company’s Shares even before any realisation of value by Scalare through exit events, and the performance of the Company’s Shares may not correlate with the current performance or ultimate realised value of Scalare’s portfolio companies.</p>
<p>Due diligence risk</p>	<p>Scalare undertakes due diligence processes in respect of investment opportunities, which may include engaging external legal advisers, and other commercial, tax or financial advisers as considered appropriate in the context of the potential investment. As part of its due diligence processes, Scalare will rely to an extent on the financial and other information provided to it and its external advisers by the potential portfolio company.</p> <p>There is a risk that Scalare or its advisers may not always be able to verify the accuracy, reliability or completeness of all of the information which is provided to Scalare against independent data and that the information provided or available to Scalare is not complete and accurate. There is also a risk that Scalare may not identify all issues associated with a portfolio company.</p>
<p>Portfolio companies may not be financially successful or attract necessary capital</p>	<p>A portfolio company may not generate consistent revenues, profits or positive cashflows which may impact its long-term viability. The success or viability of a portfolio company may also be impacted by its ability to access capital to meet capital expenditure and operating cashflow needs. A portfolio company may not attract sufficient capital for its needs if Scalare or other investors do not participate in capital raisings undertaken by it.</p>
<p>Portfolio company – founder and key personnel risk</p>	<p>Portfolio companies are typically operated by their founders or founding group, and Scalare relies on those individuals to operate the business and provide industry knowledge and local expertise in the jurisdiction in which the portfolio company conducts its business. If a founder or founders were to leave the portfolio company, there is a risk that the portfolio company may suffer a decline in performance, encounter difficulty or incur expenses</p>

in locating suitable replacements, take longer to implement its business plan or otherwise be unable to meet its targets.

Annexure A – Consideration Shares

	Number of Consideration Shares
SCALARE PARTNERS PTY LTD SHAREHOLDERS	
Rasta Baby Pty Ltd	13,945,057
Burrill Skies Pty Ltd	10,732,324
Kirri Cove Pty Limited	123,161
Chalke Valley Pty Ltd	10,992,817
Lunn Richmond Pty Ltd	1,153,261
Muzhen Li	2,112,697
Wyvern Family Investments Pty Ltd	1,086,043
Stuart Taylor	524,722
Mick Roche	881,386
Hao Dong	757,801
Scarperella Pty. Ltd.	757,796
George Lontos	260,493
Angelo Joseph Mazzaferro & Rosemarie Mazzaferro atf Mazzaferro Family Superannuation Fund	262,364
Stephanie Coleman	182,934
Joanna Wands	181,355
JACV Pty Ltd	378,914
Channy Corp Pty Limited	78,148
Purslowe Superannuation Pty Ltd	164,111
DATHET SMSF PTY LTD	131,377
AGRK RICO Investments Pty Ltd	430,908
Mark Seymour	505,357
Neale Java	331,535
Mark Andrew Harvey	234,913
Minamurra Pty Ltd	396,283
Scott Graham	725,062
Adam William Graham	424,500
Natasha Maree Martin	468,883
Lies Bachatene	415,742
Joanne Masters	238,872
Michelle Catherine Knight	599,254
Harold Francis Lovery and Johanna Cornelia Lovery	284,177
Marcus Timpson	260,493

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Ange Teulon & Michael Teulon	510,645
Matthew Rozyn atf Mayzin Pty Ltd	260,493
Matthew Farmer	262,364
Hugh Richards atf Hugh Cleave Richards Super Fund	268,220
Geoffrey Short and Briong Short atf Short Family Super Fund	236,814
Baobab Nominees 3 Pty Ltd atf Baobab Direct Investments Trust	8,060,572
Anthony Quinn ATF Quinn Family Trust	437,926
Michael J Tansey	588,533
Adelle Howsey	1,644,946
L&D Holdings Pty Ltd	236,814
Quay Wholesale Fund Services Pty Ltd (Unify Ventures)	710,438
Peter Jones	401,907
Ya Tuo and James Lougheed	3,969,072
Breeze Doyle Pty Ltd	806,634
Team T Super Pty Ltd ATF SLC Family Super Fund	400,000
Arlberg Resources Pty Ltd	600,000
Christie and David Whitehill	240,456
Stefanie Winwood	116,972
Griffiths Holdings Pty Ltd	1,008,406
Neston Holdings Pty Ltd	1,216,048

Total	72,000,000
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Annexure B

Directors and Managers on Re-Listing, their investment vehicles and the New shares they will subscribe for under the Offer

Investment Vehicle of Shares	Names of Director and Managers	Number
Rasta Baby Pty Ltd	Nick Roberts	400,000
Kirri Cove Pty Limited	James Walker	40,000
Chalke Valley Pty Ltd	Giles Bourne	160,000
Muzhen Li	Jenny Li	20,000
Neil Carter	Neil Carter	200,000
Adelle Howse	Adelle Howse	200,000
Ya Tuo and James Lougheed	James Lougheed	3,150,000
Breeze Doyle Pty Ltd	Carolyn Breeze	167,212
		<hr/>
		4,337,212

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Annexure C

Scalare Partners Shareholdings on Re-listing

Shareholder	No. of Shares	% Min.	%Max
Rasta Baby Pty Ltd	14,345,058	15.9%	13.5%
Burrill Skies Pty Ltd	10,732,324	11.9%	10.1%
Kirri Cove Pty Limited	163,162	0.2%	0.16%
Chalke Valley Pty Ltd	11,152,818	12.4%	10.5%
Muzhen Li	2,132,696	2.4%	2.0%
Neil Carter	200,000	0.2%	0.19%
Baobab Nominees 3 Pty Ltd			
atf Baobab Direct Investments Trust	8,060,573	9.0%	7.6%
Adelle Howse	1,844,949	2.0%	1.5%
Ya Tuo and James Lougheed	7,119,073	7.9%	6.7%
Breeze Doyle Pty Ltd	973,846	1.1%	0.9%
Griffiths Holdings Pty Ltd	1,008,406	1.1%	1.0%
	57,732,905	64.1%	54.5%
All other Scalare Partners Shareholders	23,767,095	26.4%	22.4%
Total	81,500,000	90.6%	76.9%

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Candy Club Holdings Limited

(ASX:CLB)

ACN 629 598 778

Independent Expert's Report

Report to Existing Shareholders on the issue of new Candy Club Holdings Limited shares for the Proposed Acquisition of all issued shares in Scalare Partners Pty Limited and a proposed capital raising, in accordance with the shareholder approvals required under Item 7, Section 611 of the Corporations Act 2001

Report Issued: 15 August 2024

15 August 2024

The Directors
Candy Club Holdings Limited
Level 2, 350 Kent Street
SYDNEY NSW 2000

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Dear Directors,

INDEPENDENT EXPERT'S REPORT – CANDY CLUB HOLDINGS LIMITED

1. Overview

1.1 Introduction

Titan Partners Corporate Finance Pty Limited ("**Titan Partners Corporate Finance**", "**we**") was appointed by the directors of Candy Club Holdings Limited ("**Candy Club**" or the "**Company**") as an independent expert, to provide an opinion on whether the proposed acquisition of 100% of the shares in Scalare Partners Pty Limited ("**Scalare**", the "**Target**") for consideration comprising wholly of the issue of new Candy Club shares, and a capital raising by issuing new shares, is fair and reasonable to existing Candy Club shareholders (the "**Existing Shareholders**"), collectively the "**Proposed Transactions**".

On 6 May 2022, Candy Club¹ announced to the Australian Securities Exchange Limited ("**ASX**") that it signed a term sheet with Scalare to acquire 100% of the Target's shares ("**Proposed Acquisition**") and it would also undertake a capital raising to provide growth funding for the Company. On 20 June 2024 the Company announced it had signed an Implementation Deed and Share Sale Deed with Scalare in respect of the Proposed Acquisition.

The Proposed Transactions include the following key components:

- A 1 for 56 share consolidation, to reduce the number of outstanding shares of Candy Club to 2,000,000;
- Candy Club will acquire 100% of the Scalare shares on issue in exchange for the issue of 72,000,000 new Candy Club shares to the Scalare shareholders as consideration (i.e. the Proposed Acquisition);
- Candy Club will raise between \$4 million and \$8 million via an offer of new Candy Club shares to investors at an issue price of \$0.25 per share ("**Offer**");
- Directors and existing Shareholders of Scalare will hold between 68% and 80% of the issued capital in Candy Club following the Offer (assuming none takes up shares in the Offer), subject to ASX escrow arrangements ("**Escrow Arrangements**").

Further details of the Proposed Transactions are set out in the Notice of Meeting, which has been prepared by the Directors of Candy Club for the Existing Shareholders, and which our Report accompanies.

1.2 Purpose

At the completion of the Proposed Transactions, the vendor shareholders of Scalare will in aggregate hold between 68% and 80% of the issued shares in Candy Club, with existing Candy Club shareholders retaining 1.9% and 2.2%, depending on the amount of shares subscribed to in the Offer and assuming none takes up shares in the Offer. Section 606 of the *Corporations Act 2001* prohibits the acquisition of a relevant interest in a listed company's shares, if a person's voting power in the company increases above 20%. This prohibition is subject to the exceptions set out in Section 611 of the *Corporations Act 2001*. Specifically, Item 7 of Section 611 contains an exception in circumstances where the relevant acquisition of shares is approved by resolution at a general meeting of the company.

¹ Candy Club is listed on the Australian Securities Exchange

Existing Shareholders are being asked by Candy Club to vote on these four resolutions (Resolution 2, 3, 4 and 5 in the Notice of Meeting) to approve the Proposed Transactions and related resolutions at an Extraordinary General Meeting. To assist the Existing Shareholders in making an informed decision on whether to approve the Proposed Transactions, we were appointed by the Directors of Candy Club to prepare an Independent Expert's Report ("**Report**"). Our Report will express an opinion as to whether or not the Proposed Transactions are fair and reasonable to Existing Shareholders,

Titan Partners Corporate Finance is independent of Candy Club and Scalare, with no interest or involvement in the outcome of the Proposed Transactions, other than the preparation of this Report.

1.3 Approach

In preparing the Report herein, we consider Regulatory Guide 111 *Content of expert reports* ("**RG111**") dated October 2020 issued by ASIC, which sets out requirements of expert reports. Specifically, RG111 requires an independent expert to consider an acquisition approved by security holders using the same approach as takeover bids under the concepts of "fairness" and "reasonableness".

Fairness

In accordance with RG111.11, an offer is 'fair' if the value of the price or consideration offered is equal to or greater than the value of the securities subject to the offer. The comparison is required to be made:

- assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison.

In accordance with the requirements of RG111, we have compared the fair value of a share in Candy Club on a controlling basis prior to the Proposed Transaction on a controlling basis to the value of a share in Candy Club post completion of the Proposed Transaction on a minority basis. As part of our assessment of the Proposed Transactions, we consider the shares issued under the Proposed Acquisition, shares issued under the Offer and the escrow conditions applicable to those shares.

Reasonableness

The concept of reasonableness is set out in RG111.12. An offer is 'reasonable' if it is fair. An offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons to accept the offer in the absence of any higher bid before close of the offer.

We therefore separately consider whether the Proposed Transactions are "fair" and "reasonable" from the perspective of the Shareholders. Based on our assessment of these concepts.

2. Summary of Opinion

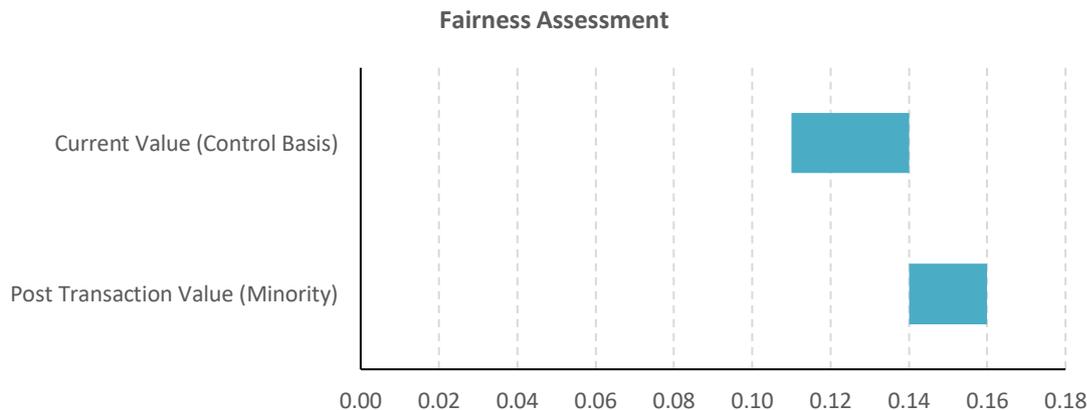
2.1 Opinion

We conclude, based on the assessment outlined in the remainder of this Report, that the Proposed Transactions are **fair and reasonable** to the Existing Shareholders. The principal factors that we have considered in forming our opinion are summarised below. This summary should be read in conjunction with the remainder of our Report herein, that sets out in full the purpose, scope, basis of evaluation, limitations, detailed analysis and our financial and qualitative findings.

2.2 Assessment of Fairness

In determining whether the Proposed Transactions are fair to the Existing Shareholders, we have compared the assessed fair value of a share in Candy Club on a controlling basis prior to the Proposed Transactions, to the value of consideration offered, being the value of a Candy Club share post the Proposed Transaction.

Our analysis is set out in Sections 0 through 10, as summarised in the following diagram and table.



Candy Club Holdings Limited Valuation Summary		
\$ per Share	Low	High
Value per Candy Club Shares prior to Proposed Transactions on a Controlling Basis	0.11	0.14
Value per Candy Club Shares Post Proposed Transactions on a Minority Basis	0.14	0.16

Source: Titan Partners Corporate Finance Analysis

As set out above, our assessed valuation range of a Candy Club share post the Proposed Transaction on a minority basis falls within the valuation range of a Candy Club share prior to the Proposed Transaction on a controlling basis. We have compared Candy Club shares both prior to and post the Proposed Transaction, with respect to the lower, mid-point and upper end of the valuation ranges. Specifically, at all levels, being the lower, mid-point and upper end of the respective valuation ranges, the value of a Candy Club share post the Proposed Transaction on a minority basis are higher. In accordance with RG111, the above valuation analysis indicates that in the absence of any other relevant information, the Proposed Transactions are deemed to be **fair** to Existing Shareholders.

2.3 Assessment of Reasonableness

As set out in Section 1.3 above, RG111 considers an offer to be reasonable if:

- The offer is fair; or
- Despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

We have considered the analysis set out in Section 10 of this Report, in terms of advantages and disadvantages of the Proposed Transactions. In forming our opinion, we have also considered the following relevant reasonableness factors:

Advantages

- Trading in Candy Club on the ASX is currently suspended. By successfully completing the Proposed Transactions, trading in Candy Club will resume on the ASX.
- Currently Candy Club does not undertake any operating activities. Following the completion of the Proposed Transactions, shareholders will gain exposure and ownership of a business with existing operating activities with a growth plan, which has potential for a further valuation uplift as a listed entity.
- Scalare acquisition is self-funding and will not require Candy Club support for short-term working capital requirements based on current management expectations as at the date of this Report.
- Increase in size and scale of operations, as the Proposed Transactions are effectively a merger between the Company and the Target. Both companies becoming one offers strengths and benefits to both entities involved

that they otherwise would not have if the Proposed Transactions does not proceed but more specifically to the shareholders of Candy Club whose company currently does not have a business.

- There is currently an absence of any alternative offers received. Given Candy Club's cash balance, noting that its most recent ASX required quarterly cashflow statement (March 2024 quarter issued 29 April 2024) stated the Company held a \$1,000 cash balance, there is a going concern issue and an inability to resume trading on the ASX without a transaction like the one being contemplated.
- Upon successful completion of the Proposed Transactions, Shareholders will effectively exit an illiquid position in a company with no material operating business and have exposure to an operating business without having to sell their Candy Club shares. Shareholders will avoid transaction costs such as brokerage that might apply if they sought alternative ways to achieve a similar result.
- It is expected approximately 72.7% (52,368,937 shares) of the total shares issued to the vendors of Scalare pursuant to the Share Sale Deed will be subject to a 12- to 24-month escrow, which are on terms which are advantageous to the Existing Shareholders.
- Candy Club's Management are of the view that should the Proposed Transactions not proceed, and without alternative offers the Company will be de-listed from the ASX at or around 15 October 2024. Should the Proposed Transactions proceed, the Company will not be de-listed.

Disadvantages

- Dilution of existing interests, as the Proposed Transactions comprise an all-equity consideration which will require Candy Club to issue additional shares in the Company to the vendors of Scalare for the Proposed Acquisition and under the Offer.
- Scalare shareholders will hold between 68% and 80% of Candy Club shares post the Proposed Transactions depending on the Offer and assuming none takes up shares in the Offer. Existing Shareholders collectively will no longer control Candy Club.
- Deterrence of alternative offers from other parties.

In our opinion, based on the assessment of the advantages against the disadvantages, as well as our conclusion that the transaction is **fair**, we consider the Proposed Transaction to be **reasonable** to Candy Club Shareholders.

2.4 Other Factors

The above summary of our opinion and conclusion should be read in conjunction with the remainder of this Report and Appendices as attached herein.

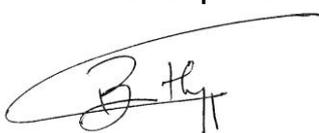
The Directors of Candy Club have recommended Shareholders vote in favour of the Proposed Transactions in the absence of a superior proposal.

Titan Partners Corporate Finance has prepared a Financial Services Guide as required by *Corporations Act 2001* that is attached at Appendix 1. This Report is for general financial advice only and was prepared without taking into account the objectives and circumstances of individual Shareholders of the Company. Our Report herein should be read in conjunction with the Notice of Meeting which it accompanies.

Unless the context requires otherwise, references to "we", "our" and similar terms refer to Titan Partners Corporate Finance.

Yours faithfully

Titan Partners Corporate Finance Pty Limited



BRAD HIGGS

Director

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3. Scope of Report

3.1 Purpose of the Report

Titan Partners Corporate Finance has been engaged by the Directors of Candy Club to prepare an Independent Expert's Report with respect to the Proposed Transactions.

Section 606 of the *Corporations Act 2001* prohibits the acquisition of an interest in a listed company's shares if a person's voting power increase above 20%. This prohibition is subject to the exceptions set out in Item 7 of Section 611 of the *Corporations Act 2001*, where shareholders other than the parties involved in the acquisition agree by resolution at a general meeting to the proposed acquisition of such shares.

ASIC issued Regulatory Guide 74 ("RG 74") states directors are required to provide sufficient information to shareholders to assess the merits of a proposal, such as that contemplated under the Proposed Transactions. Directors also have a duty to provide shareholders with full and proper disclosure, such that shareholders are fully informed of the nature of the resolutions proposed at a general meeting.

If the Proposed Transactions proceed, vendors of Scalare will hold in aggregate greater than 20% of the issued shares of Candy Club upon completion of the Proposed Acquisition. Accordingly, Titan Partners Corporate Finance was appointed by Candy Club as an independent expert and prepare a report to be attached to the Notice of Meeting sent to Existing Shareholders in relation to the Proposed Transactions.

This Report has been prepared to assist Existing Shareholders to consider, whether to approve the Proposed Transactions, as summarised at Section 4 below, under the relevant exception set out in item 7 of Section 611 of the *Corporations Act 2001*. The Report herein sets out our approach, analysis and opinion as to whether the Proposed Transactions are fair and reasonable to Candy Club Existing Shareholders.

Our Report is to be included in the Explanatory Memorandum to be issued to Existing Shareholders in accordance with the *Corporations Act 2001* and has been prepared for the exclusive purpose of assisting the Shareholders in their consideration of the Proposed Transactions.

3.2 Basis of Assessment

In preparing the Report herein, we consider RG111 which sets out requirements of expert reports.

RG111 indicates the principles and matters which it expects an expert person preparing an independent expert report to consider. The regulations in RG111 require an independent expert to the Proposed Transactions using the same approach as takeover bids under the concepts of "fairness" and "reasonableness".

Fairness

In accordance with RG111.11, an offer is 'fair' if the value of the price or consideration offered is equal to or greater than the value of the securities subject to the offer. The comparison is required to be made:

- assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison.

In accordance with the requirements of RG111, we have compared the fair value of a share in Candy Club on a control basis prior to the Proposed Transactions to the value of a share in Candy Club post completion of the Proposed Transactions on a minority basis which encompasses the issue of shares for the Proposed Acquisition and Offer.

Reasonableness

The concept of reasonableness is set out in RG111.12. An offer is ‘reasonable’ if it is fair. An offer might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons to accept the offer in the absence of any higher bid before close of the offer.

We therefore separately consider whether the Proposed Transactions are “fair” and “reasonable” from the perspective of the Shareholders. Based on our assessment of these concepts, we also conclude whether the Proposed Transactions are in the best interests of the Shareholders.

3.3 Sources of Information

In forming our opinion on the Proposed Transactions and preparing the Report herein, we have considered, adopted and relied upon certain information prepared by Candy Club, the management of Candy Club, the management of Scalare, and external parties. Refer to Appendix 4 for a list of our sources of information.

3.4 Limitations and Reliance on Information

Our opinions are based on economic, financial, operational and other conditions and expectations prevailing at the date of this Report. These conditions can change significantly over relatively short periods of time and, if such material change occurs, the opinions expressed in this Report could differ.

Titan Partners Corporate Finance has no obligation to, nor does it undertake to, advise any person of any change in circumstances that has come to its attention after the date of this Report or to review, revise or update this Report or the opinions contained herein. It is understood that the financial information provided to us was prepared in accordance with generally accepted accounting principles and Australian Equivalents to International Financial Reporting Standards issued by the AASB².

We have evaluated the information set out in Section 3.3 and Appendix 4 through analysis, enquiry and review, as appropriate for the purposes of preparing this Report and forming our opinion on the Proposed Transactions. Titan Partners Corporate Finance do not warrant that our evaluation has identified or verified all of the matters that an audit, extensive examination or due diligence investigation may disclose.

We have relied on certain representations and relevant information provided by the Directors of Candy Club and Scalare. This information was evaluated through analysis, enquiry and review. However, such information is often not capable of external verification or validation and has therefore not been independently verified.

To the extent that there are any legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Titan Partners Corporate Finance:

- assumes no responsibility and offers no legal opinion or interpretation on any issue;
- assumes if the Proposed Transactions are approved, will be implemented in accordance with the stated terms and the legal mechanisms to implement the Proposed Transactions are correct and effective, and will not materially change or be altered.; and
- has generally assumed that matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so.

We have not undertaken any commercial, technical, financial, legal, taxation and due diligence activity in respect Candy Club or Scalare. Titan Partners Corporate Finance do not provide assurance or an opinion in respect of these matters.

² Australian Accounting Standards Board

4. The Proposed Transactions

4.1 Transaction Summary

Introduction

On 6 May 2024, Candy Club announced to the ASX (“**6 May Announcement**”) that it will acquire 100% of Scalare in exchange for newly issued Candy Club shares. The Company will also undertake a capital raising to provide growth funding for the combined group as a condition of the acquisition. On 20 June 2024, the Company announced it had signed an Implementation Deed and Share Sale Deed with Scalare in respect of the Proposed Acquisition. As at the date of this Report, the Offer has not yet taken place.

Acquisition of Scalare

Scalare is a privately held entity offering a range of products and services to support founders and management of such early-stage businesses seeking to scale their operations, as well as investing in some of the early-stage companies that it provides products and services to. The current operations of Scalare are further discussed at Section 6 below.

Prior to the Proposed Transactions, Candy Club will undertake a 56 for 1 share consolidation to reduce the total shares outstanding to 2,000,000 shares. Under the Proposed Acquisition, 72,000,000 new shares in Candy Club will be issued to the current shareholders of Scalare as consideration for the acquisition of all of the issued shares of Scalare. All shares held by Scalare Partners, officeholders and significant Shareholders will be escrowed for between 1 and 2 years.

Capital Raising

To support growth of the combined group, the Company will undertake a capital raising by way of the issue of new Candy Club shares to investors, following the Proposed Acquisition of Scalare. The Offer will be at a price of \$0.25 per share and will raise between \$4 million and \$8 million, by issuing between 16,000,000 and 32,000,000 shares. The Offer is conditional on the Proposed Acquisition being approved by shareholders.

Indicative Timing

In order to proceed, the Proposed Transactions must each be approved by Shareholders for the purposes of Section 611, Item 7 of the Corporations Act at an extraordinary general meeting (“**EGM**”).

Subject to receiving approvals from the Existing Shareholders, the Proposed Transactions are anticipated to be completed by late September 2024.

Terms and Conditions

The Proposed Transactions will be subject to a number of key conditions as set out in the 6 May Announcement by Candy Club, including:

- Completion of due diligence by both Candy Club and Scalare;
- Entry into a definitive Implementation Agreement and Share Sale Agreement in connection with the Proposed Transactions;
- Approval from Candy Club Shareholders under Item 7 of Section 611 of the Corporations Act 2001;
- No material adverse change in the operations of either Candy Club or Scalare;
- Compliance with Chapters 1 and 2 of the ASX Listing Rules.

4.2 Key Implications of Proposed Transactions

If approved by the Shareholders, the Proposed Transactions would result in the following changes when completed, from the perspective of the Candy Club Shareholders:

- **Business Operations** – Candy Club will acquire the current operations and all associated assets of Scalare including its business of offering products and services to early-stage technology companies, its intellectual property pertaining to investing in early-stage companies and its current investment portfolio of early-stage technology companies. Candy Club currently has no operating activities and does not generate sales revenue.
- **Board Representation** – Only one of the existing Directors of Candy Club will remain on the Board of the Company following the Proposed Transactions and the other two existing directors will exit the operations and Board of Candy Club. Post the Proposed Transactions, the Board will comprise 5 individuals, 3 of whom are current Scalare Directors.
- **Expansion of Shareholder Base** – current shareholders of Scalare will join Existing Shareholders and new investors under the Offer as co-owners of the combined Candy Club business.
- **Relative Shareholding** – As a result of the issue of new Candy Club shares to current shareholders of Scalare, Existing Shareholders collectively will exchange their 100% ownership of the inactive current operations to a 1.9% to 2.2% holding of the enlarged Candy Club post the Proposed Transactions with an active trading business and investment holdings. The specific resultant ownership of Existing Shareholders in Candy Club post the Proposed Transactions will depend on total funds raised under the Offer, as summarised in the Post Completion Ownership Structure set out below.
- **Escrow Arrangements** – On completion, the Company will enter into Escrow Deeds with all Scalare Directors, officeholders and significant Shareholders who will be escrowed for 2 years in line with ASX requirements. We further consider the impact of the Escrow Arrangement on our assessment of the Proposed Transactions in Section **Error! Reference source not found.**

Post Completion Ownership Structure

If the Proposed Transactions are approved by Existing Shareholders and subsequently completed as set out above, the ownership structure of the Candy Club will change, comprising the existing Candy Club and Scalare shareholders as summarised below.

The current Scalare shareholders will hold between 80% and 68% of the total issued shares in Candy Club following the Proposed Transactions, depending on funds raised under the Offer and assuming none takes up shares in the Offer. Set out below is the illustrative shareholding structure under the minimum Offer amount of \$4,000,000 and the maximum Offer amount of \$8,000,000.

Candy Club Holdings Limited			
Post Completion Shareholding Structure – Minimum Offer			
	Notes	Shares	%
Existing Candy Club Shares on Issue as at 6 May Announcement		99,999,733	111.1%
Candy Club Shares on Issue prior to the Proposed Transactions		99,999,733	111.1%
Candy Club New Shares to be Issued for Unpaid Director Fees		12,000,267	13.3%
Share Consolidation of 1 for 56 Candy Club Shares on Issue		(110,000,000)	(122.2%)
Candy Club Shares on Issue		2,000,000	2.2%
Candy Club New Shares to be Issued to Vendors		72,000,000	80.0%
Candy Club Shares on Issue – Prior to Offer	1	74,000,000	82.2%
Candy Club New Shares to be Issued for Capital Raising (Minimum)	1	16,000,000	17.8%
Total Post Transactions Candy Club Shares on Issue (Minimum)	1	90,000,000	100.0%

Source: ASX Announcements, Titan Partners Corporate Finance Analysis

Candy Club Holdings Limited
Post Completion Shareholding Structure – Maximum Offer

	Notes	Shares	%
Existing Candy Club Shares on Issue as at 6 May Announcement		99,999,733	94.3%
Candy Club Shares on Issue prior to the Proposed Transactions		99,999,733	94.3%
Candy Club New Shares to be Issued for Unpaid Director Fees		12,000,267	11.3%
Share Consolidation of 1 for 56 Candy Club Shares on Issue		(110,000,000)	(103.8%)
Candy Club Shares on Issue		2,000,000	1.9%
Candy Club New Shares to be Issued to Vendors		72,000,000	67.9%
Candy Club Shares on Issue – Prior to Offer	1	74,000,000	69.8%
Candy Club New Shares to be Issued for Capital Raising (Maximum)	1	32,000,000	30.2%
Total Post Transactions Candy Club Shares on Issue (Maximum)	1	106,000,000	100.0%

Source: ASX Announcements, Titan Partners Corporate Finance Analysis

We note the following with respect to the shareholding structure post-Offer of Candy Club:

1. As part of the Proposed Transactions, Candy Club are expecting to complete a capital raising. The Offer is set to raise between \$4 million and \$8 million at an anticipated price of \$0.25 per share. As such, we have presented the total shares on issue of Candy Club prior to the Offer, being 74,000,000 shares and under two scenarios of the minimum and maximum Offer.

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5. Profile of Candy Club Holdings

5.1 Business Overview

Founded in 2014, Candy Club Holdings Limited (“Candy Club”), was a specialty market confectionery company based in Sydney, Australia, and was engaged in the business-to-business and business-to-customer sale of candy in the United States. The Company offered sugar confectionery, chocolates and gums via an online business model.

On 11 October 2022 the Company’s shares were suspended from trade on the ASX, pending the outcome of refinancing discussions with a United States-based investment bank. The discussions did not produce a result and as such, the Company appointed voluntary administrators on 25 October 2022. On 31 January 2023, Candy Club signed an agreement to formally dispose of its wholly owned subsidiary, Candy Club Holding Inc and its subsidiaries. Currently, the Company has no business operating activities however remains listed on the ASX with its share remaining suspended.

5.2 Ownership Structure

Set out below is the current ownership shareholding of Candy Club prior to the Proposed Transactions as of 17 May 2024. We note that the largest shareholder holds over 84% of issued shares in the Company, with the top 10 shareholders holding 93.48% of Candy Club shares.

Candy Club Holdings Limited Current Ownership Shareholding		
Name	Holding	%
Major Shareholders		
Annerley Property Holdings Pty Ltd ³	84,688,918	84.7%
Mutual Trust Pty Ltd	4,068,921	4.1%
Citicorp Nominees Pty Limited	2,311,831	2.3%
10 Bolivianos Pty Ltd	486,089	0.5%
Venture Lending & Leasing IX LLC	372,590	0.4%
BNP Paribas Nominees Pty Ltd	362,713	0.4%
Chi Kan Tang	336,687	0.3%
Sopris Creek Pty Ltd	322,916	0.3%
Ginga Pty Ltd	299,762	0.3%
Mr Brian Thomas Clayton & Mrs Janet Clayton	233,634	0.2%
Top 10 Shareholders	93,484,061	93.5%
Other Shareholders	6,515,672	6.5%
Total Shares Issued	99,999,733	100%

Source: Share Register as of 17 May 2024

We note that director Gary Simonite currently holds an interest of over 84% of Candy Club via his controlled entity. Upon completion of the Proposed Transactions, his interest will be reduced to between 1.4% and 1.7%, depending on the amount raised in the Offer.

In addition to the shares issued as set out above, Candy Club has also previously issued options which remain outstanding. Details of these options are summarised below.

³ Entity’s associated person is Gary Simonite, a current director of Candy Club.

Candy Club Holdings Limited Options Outstanding					
Class	Option Expiry Date	Exercise Price	Number	%	
CLBESOP5	31 January 2025	\$3.12	39,494	6.5%	
CLBESOP6	04 March 2025	\$4.80	185,190	30.3%	
CLBOPT11	06 May 2025	\$4.08	3,958	0.6%	
CLBOPT12	24 August 2025	\$5.76	334,374	54.7%	
CLBOPT13	22 December 2025	\$0.30	44,893	7.3%	
CLBOPT14	09 June 2025	\$3.24	3,333	0.5%	
			611,242	100.0%	

Source: Share Register as of 17 May 2024

Upon the 56-to-1 consolidation of shares of Candy Club, the number of options outstanding will be reduced on the same basis and the exercise prices increased by 56 times. We note that all options outstanding are 'out of the money' and accordingly we have not included the impact of the above options in our analysis of the Proposed Transactions. As such, all values per shares shown in this Report for Candy Club are presented on an undiluted basis.

5.3 Market Announcements

The following table sets out the recent announcements released by Candy Club to the ASX. The full list of announcements since April 2023 by the Company is set out at Appendix 5.

Candy Club Holdings Limited Recent Company Announcements	
Announcement Date	Title
20/06/2024	CLB and Scalare sign Share Sale & Merger Implementation Deed
14/06/2024	Notice of Annual General Meeting/Proxy Form
04/06/2024	Appendix 4G
04/06/2024	Annual Report to Shareholders
06/05/2024	Proposed Acquisition of Scalare Partners
29/04/2024	Quarterly Activities/Appendix 4C Cash Flow Report
27/02/2024	Notification of cessation of securities – CLB
23/02/2024	Preliminary Final Report
20/02/2024	Final Director's Interest Notice
20/02/2024	Final Director's Interest Notice
20/02/2024	Initial Director's Interest Notice
20/02/2024	Initial Director's Interest Notice
20/02/2024	Director Appointment/Resignation
18/01/2024	Amended Appendix 4G
18/01/2024	Quarterly Activities/Appendix 4C Cash Flow Report
18/01/2024	Quarterly Cashflow/Activities Reports
16/01/2024	Notification of cessation of securities – CLB
16/01/2024	Expiry of Unlisted Options
01/12/2023	Half Year Accounts

Source: Australian Securities Exchange

5.4 Historical Financial Performance

Candy Club adopts a financial year based on the 12-months ended 31 December, while Scalare's financial year is for the 12-months ended 30 June. To avoid confusion, we have presented Candy Club's financial performance for the 12-months ended 31 December 2021 ("CY2021"), 31 December 2022 ("CY2022") and 31 December 2023 ("CY2023") summarised below.

Candy Club Holdings Limited Historic Operating Results							
\$'000s	Notes	CY2021		CY2022		CY2023	
		Actual	%	Actual	%	Actual	%
Other Income							
Gain on Debt Forgiveness		-	-	-	-	1,200	-
Net Foreign Exchange Gain on Short Term Borrowings		-	-	-	-	50	-
Total Other Income	1	-	-	-	-	1,250	-
Expenses							
Administration		588	-	578	-	238	-
Advertising		515	-	232	-	-	-
Salaries & Wages		884	-	51	-	-	-
Impairment	2	10,320	-	700	-	-	-
Foreign Exchange Loss		68	-	82	-	-	-
General & Other		7	-	10	-	12	-
Finance Costs		132	-	147	-	13	-
Total Expenses	3	12,515	-	1,800	-	264	-
Reported EBITDA		(12,515)	-	(1,800)	-	986	-
Depreciation & Amortisation		-	-	-	-	-	-
Reported EBIT		(12,515)	-	(1,800)	-	986	-
Interest Income		-	-	1	-	1	-
Reported NPAT		(12,515)	-	(1,799)	-	987	-

Source: Management/Historical Financial Statements

We note the following with respect to the historical financial performance of Candy Club:

1. Candy Club reported no revenue from operating activities in any of the 3 financial years presented. Other Income recognised in CY2023 relates to a gain on a forgiveness of a loan after paying \$103,000 to the loan issuer.
2. The Company recorded Impairment expenses in CY2021 and CY2022 related to loans with the Company's former subsidiaries.
3. We note that the expenses of the Company have significantly declined each year to CY2023, with nearly all of the costs incurred in CY2023 relating to administration fees associated with remaining listed on the ASX.

5.5 Financial Position

The financial position of Candy Club as at the end of CY2022 and CY2023, with a pro forma for CY2023 is summarised below.

Candy Club Holdings Limited					
Historic Reported Balance Sheet					
\$'000s	Notes	CY2022 Actual	CY2023 Actual	Adjustments	CY2023 Pro Forma
Current Assets					
Cash		183	2	-	2
Sundry Receivables		29	2	-	2
Other Current Assets		6	-	-	-
Total Current Assets		218	4	-	4
Total Assets		218	4	-	4
Current Liabilities					
Creditors		66	25	-	25
Sundry Creditors		130	28	-	28
Borrowings	1	1,340	83	42	125
Total Current Liabilities		1,536	136	42	178
Total Liabilities		1,536	136	42	178
Net Assets		(1,318)	(132)	(42)	(175)

Source: Management/Historical Financial Statements

We note the following with respect to the financial position of Candy Club and key material balance sheet items:

1. Borrowings in CY2022 consisted of bridging finance from entities related to former directors. On 31 January 2023 the Company negotiated a full settlement of the bridging finance via a third party associated with a former chairman and recognised a Gain on Debt Forgiveness in the Profit & Loss after paying \$103,000. Borrowings in CY2023 mainly relate to loans from Directors. We note that subsequent to 31 December 2023, the Company received a \$125,000 loan from Scalare, of which \$83,000 was used to settle the outstanding debts. Accordingly, there is a net increase of \$42,000 in Borrowings since the end of CY2023.

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6. Profile of Scalare

6.1 Business Overview

Established in January 2020, Scalare Partners Pty Limited was formed to provide support services and products to early-stage businesses in the technology sector, and for the purposes of investing in selected early-stage technology companies to which it provides its products and services .

Support Services

Scalare is based in Sydney, Australia and provides a range of services to early-stage businesses. These services include mentorship from experienced industry professionals, business development support, accounting services by way of an outsourced CFO service, and access to a network of contacts. Scalare’s services are provided to assist early-stage companies to address early-stage challenges and achieve sustainable growth.

Scalare assists the early-stage companies with product development, market entry strategies and scaling operations. Specifically such services include refinement of business models, optimising operations and positioning of products or services effectively in the market. The support services provided aims to enables early-stage companies to focus on innovation and growth while managing risks and navigating industry complexities.

Investments

In addition to the above services, Scalare makes investments in selected early-stage businesses in the technology sector in Australia, as well as the United States and United Kingdom to which it provides products and services, with the aim of building a portfolio spanning globally. Scalare invests in early-stage technology businesses and aims to support these ventures with both capital and strategic guidance to facilitate their growth from early stages to significant market presence.

6.2 Ownership Structure

Presented below is the current ownership structure of Scalare as of 7 June 2024 and prior to the Proposed Transactions. We note that the top 10 shareholders own 77.75% of Scalare.

Scalare Partners Pty Ltd Current Ownership Shareholding		
Name	Holding	%
Major Shareholders		
Rasta Baby Pty Limited ⁴	2,676,664	19.4%
Chalke Valley Pty Ltd ⁵	2,110,000	15.3%
Burrill Skies Pty Limited ⁶	2,060,000	14.9%
Baobab Nominees 3 Pty Ltd ⁷	1,547,175	11.2%
Ya Tuo and James Lougheed ⁸	758,316	5.5%
Starseeds Pty Ltd	405,518	2.9%
Adelle Howse ⁹	315,737	2.3%

⁴ Entity associated with Nick Roberts, proposed Senior Executive of Candy Club following the completion of the Proposed Transactions.

⁵ Entity associated with Giles Bourne, proposed Senior Executive of Candy Club following the completion of the Proposed Transactions.

⁶ Entity associated with James Walker, proposed Executive Director of Candy Club following the completion of the Proposed Transactions. Note that Mr Walker also has another associated entity, Kirri Cove Pty Ltd which owns a further 23,640 shares in Scalare.

⁷ Entity associated with Beau Quarry, proposed Non-Executive Director of Candy Club following the completion of the Proposed Transactions.

⁸ James Lougheed is currently a Director of Scalare and is a proposed Non-Executive Director of Candy Club following the completion of the Proposed Transactions.

⁹ Adelle Howse is a proposed Non-Executive Director of Candy Club following the completion of the Proposed Transactions.

Scalare Partners Pty Ltd
Current Ownership Shareholding

Neston Hocdines Pty Ltd	233,413	1.7%
Lunn Richmond Pty Ltd	221,361	1.6%
Wyvern Family Investments Pty Ltd	206,974	1.5%
Top 10 Shareholders	10,535,158	76.2%
Other Shareholders	3,284,776	23.8%
Total Shares Issued	13,819,934	100.0%

Source: ASIC Company records as of 21 May 2024

We are advised that following the Proposed Transactions including the Offer, current Scalare shareholders will own between 80% and 68% of the combined entity depending on the amount raised in the Offer and assuming no existing shareholders takes up shares in the Offer.

6.3 Industry Overview

Scalare offers a range of products and services to support founders and management of early-stage technology businesses seeking to scale their operations as well as investing in some of the early-stage companies that it provides products and services. Institutional investors in private companies have benefited from generally strong performance over the past five years. The COVID-19 pandemic and ensuing inflationary pressures significantly disrupted both local and global equity markets, which limited industry performance. Yet, total assets have continued to accumulate over recent years compounding returns for investors, assisted by previously low interest rates. The low interest rate environment that characterised the trading landscape until recently affected fixed-income assets' performance, which changed the mix of funds held in various industry investment vehicles in the broader financial industry¹⁰.

Interest rate increases and economic headwinds are expected to negatively impact returns and therefore profit margins for many investors in the current year, particularly investment portfolios geared for higher risk. Given Scalare's investments are in early-stage companies which are inherently higher risk, this represents a risk for Scalare moving forward. Spending pressures and negative business confidence have the potential to continue softening investment performance over the coming years. However, inflationary pressures and interest rate rises are set to gradually ease as conditions improve¹¹, aiding the early-stage businesses in Scalare's investment portfolio.

Projected global financial stability and a sluggish appreciation of the Australian dollar may set the stage for a resurgence in overseas investment in Australian markets, yet continued changes implemented by the Foreign Investment Review Board may limit the willingness overseas investors to spend domestically¹². Additionally investment in Australian companies and the Australian market as a whole can have the potential to provide tailwinds for Scalare's investments in early-stage companies.

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¹⁰ K2640 IBISWorld Report: Financial Asset Investing in Australia

¹¹ K2640 IBISWorld Report: Financial Asset Investing in Australia

¹² K2640 IBISWorld Report: Financial Asset Investing in Australia

6.4 Historical Financial Performance

As noted in Section 5.4, Scalare's year end is for the 12-months ended 30 June, while Candy Club's financial year is for the 12-months ended 31 December. In order to align the entities when performing our valuation, we have used the two most recent financial years performance, being 30 June 2022 ("FY2022") and 30 June 2023 ("FY2023"), and 11-month actuals to 31 May 2024 ("YTD2024") which we have summarised below. Note that YTD2024 includes the performance of the TRW acquisition retrospectively applied from the start of FY2024. As such, YTD2024 is a pro forma performance.

Scalare Partners Pty Ltd Historic Operating Results							
\$'000s	Notes	FY2022		FY2023		YTD2024	
		Actual	%	Actual	%	Pro-forma	%
Revenue	1	915		1,068		1,739	
Cost Of Sales		738	80.6%	625	58.5%	774	44.5%
Gross Profit	2	177	19.4%	443	41.5%	965	55.5%
Other Income	3	2,381	260.3%	2,038	190.9%	1,330	76.5%
Advertising		11	1.2%	27	2.6%	205	11.8%
Professional Fees		34	3.7%	61	5.7%	249	14.3%
Occupancy Expenses		33	3.6%	59	5.5%	71	4.1%
Insurance		20	2.2%	28	2.6%	29	1.6%
Other Staff Costs		2	0.3%	21	2.0%	39	2.3%
Salaries & Wages	4	966	105.6%	1,090	102.1%	1,632	93.8%
Travel		2	0.2%	13	1.2%	27	1.5%
General & Other Expenses		3	0.3%	14	1.4%	202	11.6%
Total Expenses		1,071	117.0%	1,313	123.0%	2,453	141.1%
Reported EBITDA		1,487	162.6%	1,167	109.3%	(158)	(9.1%)
Depreciation & Amortisation		2	0.2%	-	-	-	-
Reported EBIT		1,486	162.4%	1,167	109.3%	(158)	(9.1%)
Interest Income		0	0.0%	7	0.6%	9	0.5%
Income Tax Expense		370	40.4%	300	28.1%	119	6.8%
Reported NPAT		1,117	122.0%	874	81.8%	(267)	(15.4%)

Source: Management/Historical Financial Statements

We note the following with respect to the historical financial performance of Scalare:

1. Revenue generated to date is primarily derived from Virtual Support Services, Program & Digital Solutions and Directorship income. Membership & Events also continues to contribute modestly to historical revenue. While FY2023 experienced growth of 17% compared to FY2022, Scalare has exceeded FY2023's annual revenue performance by 63% in YTD2024, with 1 month remaining in FY2024.
2. Gross Profit margin has increased year on year across the periods, due mainly to a decrease in consultancy costs across the years. We note that Salaries & Wages has increased across the periods, which is not recorded in Gross Profit.
3. Other Income comprises a significant part of Scalare's financial performance, which is almost entirely attributable to unrealised gains in the value of investments held in early-stage companies. Note that as Scalare undertakes a revaluation of its portfolio every 6-months in line with ASX half-yearly reporting schedules, the unrealised gains presented in YTD2024 is reflective of only 6-months' worth of gains in value and is therefore likely to be higher for the full FY2024 financial year.

- At the end of FY2023, Scalare has 9 staff, with 2 located in Indonesia and Philippines. Salaries & Wages make up a significant portion of total expenses, increasing each year as the Business grows. We note that Salaries & Wages have increased at a slower rate than the rate of revenue growth.

6.5 Financial Position

The audited financial position of Scalare as at FY2023 and 31 December 2023 (“1H2024”) is summarised below. Note that we have also presented 1H2024 on a pro forma basis.

Scalare Partners Pty Ltd					
Historic Reported Balance Sheet					
\$'000s	Notes	FY2023 Actual	1H2024 Actual	Adjustments	YTD2024 Pro Forma
Current Assets					
Cash	1	1,057	1,471	(280)	1,191
Debtors		38	65	-	65
Other Current Assets		56	22	-	22
Total Current Assets		1,151	1,558	(280)	1,278
Investments	2	8,291	9,985	298	10,283
Fixed Assets		-	4	-	4
Intangibles	3	40	40	100	140
Total Non-Current Assets		8,331	10,029	398	10,427
Total Assets		9,483	11,587	118	11,705
Current Liabilities					
Creditors		115	49	-	49
Sundry Creditors		105	132	-	132
Employee Provisions		114	109	-	109
Deferred Revenue		40	45	-	45
Total Current Liabilities		373	335	-	335
Deferred tax liabilities		724	843	-	843
Total Non-Current Liabilities		724	843	-	843
Total Liabilities		1,098	1,177	-	1,177
Net Assets		8,385	10,410	118	10,528

Source: Management/Historical Financial Statements

We note the following with respect to the historical financial position of Scalare:

- The cash balance of Scalare has increased during 1H2024. The adjustment to the cash balance reflects two investments made in early-stage companies and the acquisition of TRW subsequent to the audited 1H2024 balance totalling \$280,000, which are comprised of a \$240,000 investment in an early-stage company and \$40,000 cash paid to the vendors of TRW.
- The Investments balance is comprised of investments made in early-stage companies. The pro-forma adjustments to the audited 1H2024 balance reflects new investments made in early-stage companies as well as additional equity received in some of the early-stage companies as payment in lieu of services performed. Refer to Section 9.2.3 for further detail. Note, while we have relied on the audited balance of the Investments as at 31 December 2023, we have also reviewed and analysed the underlying financial models, and

Management's position which formed the basis of those valuations. We are of the opinion that no changes are required to the audited 1H2024 Investments balance. A listing of the investments are detailed in Appendix 9.

3. The adjustment to Goodwill reflects the payment made to the vendors of TRW, comprised of \$40,000 cash and \$60,000 is share capital.

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7. Valuation Methodology

7.1 Overview

The best determinant of value is the price at which a business or a comparable business has been bought or sold in an arm's length transaction. In its absence, estimates of value are made using methodologies that infer value from other available evidence. These methodologies are discussed below.

7.2 Asset Based Methods

Asset based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- **Net assets & net tangible assets:** Net assets method is based on the value of the assets of the business less certain liabilities, at book values, adjusted to market value, while the Net Tangible Assets ("NTA") of the business is a similar calculation but with an additional adjustment to exclude intangible assets from the calculation;
- **Orderly realisation of assets:** Orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to shareholders assuming the company is wound up in an orderly manner realising a reasonable market value for assets; and
- **Liquidation of assets:** Liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter period, under a "distressed seller" scenario.

These approaches ignore the possibility that a company's value could exceed the realisable value of its assets. Asset based methods are appropriate when companies are not profitable (and are not expected to be profitable in the short to medium term), not actively trading or a significant proportion of a company's assets are liquid or held in investments that could be realised, or the business achieves lower profits than typical returns required by equity holders.

Asset based methods are typically considered in valuing listed investment companies.

7.3 Market Based Methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or the market value of comparable companies. Market based methods include:

- **Analysis of a company's recent share trading history (Quoted Share Price Approach):** Most recent share trading history provides strong evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market, under the Efficient Market Hypothesis. Importantly to rely on this methodology, a company's shares require sufficient liquidity;
- **Capitalisation of maintainable earnings (Future Maintainable Earnings Approach):** Capitalisation of maintainable earnings method estimates fair market value by multiplying the company's future maintainable earnings by an appropriate capitalisation multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the company's earnings are relatively stable and comparable companies have similar cost structures. This methodology is used for trading companies and is typically not applicable for listed investment companies;
- **Capitalisation of revenue (Revenue Multiple Approach):** Capitalisation of revenue estimates fair market value by multiplying the company's maintainable revenue by an appropriate capitalisation multiple. An appropriate revenue multiple is derived from market transactions involving comparable companies. It is a method commonly used for valuing early stage and high-growth businesses before the profit-making phase of operations. This methodology involves capitalising the revenue of a business at a multiple that reflects the risks of the business and its growth pattern; and
- **Industry specific methods:** Industry specific methods estimate market value using industry benchmarks. These methods generally provide less persuasive evidence on the market value of a company, as they may not account for company specific factors. Industry specific methods are only used as a cross check to the primary valuation methodology.

7.4 Discounted Cash Flow Method

The discounted cash flow method estimates market value by discounting a company's future cash flows to their present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence for a period of at least 5 years. The discounted cash flow method is commonly used to value early-stage companies; projects with a finite life; or businesses with comprehensive and reliable cash flow forecasts.

7.5 Selection of Methodologies

RG111 outlines the appropriate methodologies that an expert should consider when valuing assets and securities. These methodologies are:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets. This is the Future Maintainable Earnings Approach;
- the amount that would be available for distribution to security holders on an orderly realisation of assets. This is using an Asset Based Method;
- the quoted price for listed securities, when there is a liquid and active market; and
- any recent genuine offers received by the target for the entire business.

RG 111 does not prescribe any above methodologies as the method that should be used in the independent expert report. An expert would consider the valuation theory and available information to decide on the most appropriate methodologies in valuing the entity or the asset based on an expert's skill, judgement and after considering the unique circumstances of the entity or asset being valued.

Pre-Proposed Transactions Methodology

To value Candy Club shares pre-Proposed Transactions, we consider an asset-based method as most appropriate to value the Company, as a result of market-based methods not being appropriate to value the Company and the fact that the Company's current status as a non-trading listed shell company. Our selection of the valuation methodology is guided by RG111 and we have considered the following in selecting our valuation methodology to value an existing Candy Club share:

- the lack of existing trading operations of Candy Club, with no sales income recorded for several years;
- the historical results and current performance levels including revenue and earnings, specifically the lack of profitable earnings and revenue made by Candy Club;
- the suspension of Candy Club's shares being traded on the ASX since 25 October 2022;
- the low levels of cash reserves of Candy Club and its ability to continue as a going concern; and
- representations by management in terms of the current and future trading performance of the underlying assets held by Candy Club, and strategic direction of Candy Club.

As a publicly listed security on the ASX, one available methodology is a market-based valuation using the recent share price trading history of quoted shares.¹³ We have considered this methodology is not appropriate for determining the current market value of the shares in the Company, due to the shares of Candy Club being suspended from trading on the ASX since 2022.

We consider that the use of a discounted cash flow methodology is not appropriate due to the lack of available forecast cash flows beyond FY2024, and the extremely low probability that that Candy Club will begin operations to generate revenues.

¹³ RG 111.69 states that an expert should consider "the quoted price for listed securities, where there is a liquid and active market".

We consider that the use of a capitalisation of revenue or maintainable earnings is not appropriate due to Candy Club's operations being discontinued and as such no revenues or earnings and the Company is effectively a non-trading listed shell.

Post-Proposed Transactions Methodology

To value the combined Company following completion of the Proposed Transactions, we have utilised a sum of the parts ("SOTP") approach. Our selection of the valuation methodology is guided by RG111 and we have considered the following in selecting our valuation methodology to value of a post-Proposed Transaction Candy Club share:

- the existing operations of Scalare, comprising investing in early-stage technology businesses, support services for early-stage companies and the niche TRW offering;
- the historical results and current performance levels including revenue and earnings, specifically the lack of profitable operations earnings generated to date (excluding gain on revaluations);
- representations by management in terms of the current and future trading performance of the underlying assets held by Scalare, and strategic direction of Scalare; and
- our understanding of the competitive position of Scalare in its respective industry.

We consider that the use of a discounted cash flow methodology is not appropriate due to the lack of available forecast cash flows beyond FY2024, and due to Candy Club's inability to generate revenues and earnings.

Accordingly, as there are 3 key components of value in the Scalare business, we have assessed the value of Scalare shares on a using a sum of the parts approach comprising multiple methodologies. Specifically, we adopt:

- a capitalisation of revenues methodology to value the professional services operations;
- a capitalisation of revenues methodology to value the recently acquired TRW operations; and
- a net asset value methodology for the investments in early-stage companies.

We then combined the value of Scalare in accordance based on the above methodologies, with Pre-Proposed Transactions of Candy Club in a SOTP approach and any applicable adjustments to determine the value of Candy Club post the Proposed Transactions.

We consider that the use of a capitalisation of maintainable earnings is not appropriate due to Scalare has not established a track record of maintainable earnings since foundation.

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8. Value of Candy Club Pre-Proposed Transactions

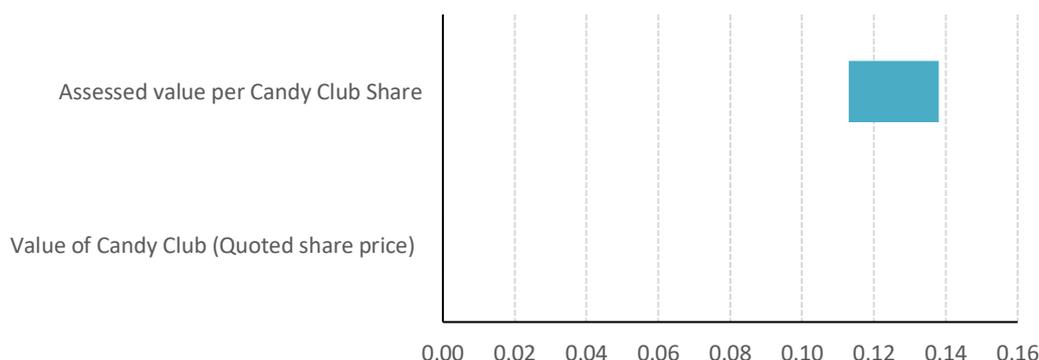
8.1 Valuation Summary

We have determined the market value of an ordinary share in Candy Club on a controlling interest basis to be \$0.11 to \$0.14 per share prior to the Proposed Transactions. In determining this range of value, we have had reference to the results of two methodologies, as summarised below.

Candy Club Holdings Limited Equity Value Summary (\$ per share)		
\$ per share	Low	High
Asset Based Approach		
Value per Candy Club share on a Controlling Basis (\$ per share)	0.11	0.14
Market-Based Valuation – Quoted Share Price (QSP)	-	-
Assessed Value of Candy Club on a Controlling Basis (\$ per share) prior to the Proposed Transactions	0.11	0.14

Source: Titan Partners Corporate Finance Analysis

Candy Club Shares Valuation Summary



The remainder of this section sets out our assessment of the above values for Candy Club shares.

Market-Based Valuation – Quoted Share Price (QSP)

As outlined in Section 7.5, one available methodology to value Candy Club is to use a market-based valuation using the recent share price trading history of quoted shares.¹⁴ We have considered this methodology is not appropriate for determining the current market value of the shares in the Company, due to the shares of Candy Club having been suspended since 2022 and have not traded on the ASX since.

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¹⁴ RG 111.69 states that an expert should consider “the quoted price for listed securities, where there is a liquid and active market”.

8.2 Net Assets Valuation

We have assessed the value of Candy Club shares on a controlling basis using a net asset value methodology.

In determining the value of Candy Club, we have relied on management information with respect to the financial performance and financial position of the Company as at the announcement of the Proposed Transactions, being 6 May 2024. Such information incorporates the financial information of the Company as of 31 December 2023, as presented in the unaudited financial statements released by the Company to the ASX on 23 February 2024.

Set out below is our valuation assessment of Candy Club based on the asset value methodology.

Candy Club Holdings Limited Equity Value (Controlling Basis)			
\$'000s	Notes	Low	High
Cash	1	2	2
Working Capital Adjustment	2	(51)	(51)
Net Assets as at 31 December 2023		(49)	(49)
Listed Shell	3	400	450
Less: Director Fees Outstanding	4	-	-
Less: Related Party Loan Payable	5	(125)	(125)
Equity Value (Controlling basis)		226	276
Number of Shares Outstanding	6	2,000,000	2,000,000
Value per Share (\$)		0.11	0.14

Source: Candy Club Management Information, Titan Partners Corporate Finance Analysis

We note the following with respect of the equity value of Candy Club above:

- Candy Club's cash balance is based on the March 2024 quarterly cash flow statement released to the ASX on 29 April 2024, its required cash holdings and expenditures have been supported by borrowings.
- Per the Balance Sheets summarised in Section 5.5 above, we note the Company has been in a negative net asset position as at the end of CY2022 and CY2023 of \$1.32 million and \$257,000 respectively. Our analysis also indicates the Company is currently in a negative Net Working Capital position, as estimated by the difference between reported Current Assets (excluding cash) and Current Liabilities (excluding Borrowings) of \$161,000 and \$51,000 respectively at the end of CY2022 and CY2023. We note that the Company generated net cash outflow from operations during CY2023 of \$0.36 million per announcements to the ASX¹⁵, exacerbating the negative working capital position. For the purposes of our valuation assessment, we have adopted a working capital deficiency of \$51,000.
- In conducting our analysis of a listed shell, we identified prior transactions involving ASX-listed shell entities and note that the value of a listed shell company was in the range of \$500,000 and \$1 million, per the corresponding Independent Expert's Report for each completed transaction. Refer to Appendix 6 for a detailed listing and discussion of the listed shell transactions we identified. We note of the transactions analysed:
 - All listed shells held a larger cash balance than Candy Club, ranging between \$259,000 and \$1.53 million, compared to the Company's current cash holdings of only \$2,000;
 - All listed shells have a positive net asset position, ranging between \$234,000 and \$1.8 million, compared to Candy Club which is currently in a net liability position; and
 - One of the listed shells analysed had an active trading status, i.e. was not suspended.

¹⁵ Unaudited Financial Report for the year ending 31 December 2023 announced to the ASX on 23 February 2023.

Based on our analysis of precedent listed shell transactions and the background facts pertaining to each of the shells per the respective Independent Expert's Reports, we consider the listed shell of Candy Club to be less valuable in comparison and should accordingly be discounted against those comparable shells, due to the Company's:

- a. Lack of cash reserves;
- b. Net liability position;
- c. Management's understanding that the Company will be de-listed from the ASX on or about 15 October 2024 should the Proposed Transactions not proceed and without any material change in Candy Club's position or any alternative proposal be received¹⁶. We note that given Candy Club's lack of revenue generating operations, the Company entering voluntary administration on 25 October 2022 and the audit reports for the year ended 31 December 2022, half-year ended 30 June 2023 and year ended 31 December 2023 all raising a material uncertainty regarding going concern, the Company's viability following a de-listing from the ASX is in doubt.

Additionally, we have considered the number of listed shells currently on the ASX. In particular, we consider there is an abundance of ASX-listed shell, as we have identified 72 such shell companies¹⁷. In our view, such a large number of shell companies available on the ASX erodes the value of each individual the shells due to their availability. As such, we have taken a view that a discount should be applied to the low and high value range of a listed shell company, resulting in a value range of the shell to be \$400,000 and \$450,000.

4. We note that per the Application for In-Principle Advice lodged with the ASX, there are unpaid Director Fees that will be settled with the issuance of 12,000,267 shares (pre share consolidation) to Annerley Property Holdings Pty Limited, a Director-owned entity¹⁸. The liability relating to the unpaid fees has not been recognised on the Balance Sheet as at 31 December 2023, however as the debt will be settled through an issuance of shares in Candy Club, the post-share consolidation value of Candy Club incorporates the settlement of the debt and therefore no adjustment is required.
5. As noted in the announcement of the Proposed Transactions to the ASX on 6 May 2024, Scalare has provided a \$125,000 loan to Candy Club, the proceeds of which were partially utilised to extinguish loans outstanding to other parties. We are advised this liability is only repayable if Candy Club terminates the Proposed Transactions and is not required to be repaid if the Proposed Transactions are completed or are terminated under any other means. However, the amount remains a liability of the Company as at the date of this Report and has been incorporated accordingly in the above calculation of Equity Value.
6. Total number of shares outstanding is presented incorporating the issuance of shares to settle unpaid Director fees outlined in Note 4 above and the 56-for-1 share consolidation, both of which are to be undertaken prior to the Proposed Transaction.

We have determined the equity value of Candy Club on a controlling interest basis is \$0.11 and \$0.14 per share.

Control Premium

We are required under RG111 to assess the Proposed Transactions assuming 100% ownership of Candy Club. However, we note that the above valuation of Candy Club has been prepared on a net asset basis, which is premised on the ability of the Company to control the assets of the entity and does not require any further adjustments for control premium.

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¹⁶ Per the announcement to the ASX on 6 May 2024 titled "Proposed Acquisition of Scalare Partners".

¹⁷ We have defined a shell company as a company that has a market capitalisation at or below \$20 million at present or at time of trading suspension, with zero trade volume for the period 15 April 2024 to 13 May 2024.

¹⁸ The value of the debt has been calculated using the 1 for 56 share consolidation, at the expected post-consolidation Offer price of \$0.25 per share.

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8.3 Assessed Valuation of Candy Club Shares

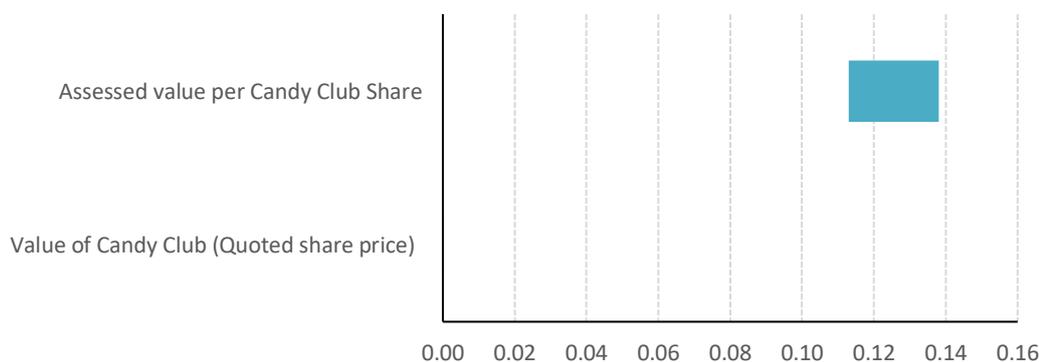
Based on our analysis set out in Section 8.2 above, we have assessed the value of the Candy Club shares, on a controlling basis using the Net Asset Value approach. In forming our conclusion on the assessed valuation range for Candy Club shares, we have considered our findings set out above and in particular:

- 1) The lack of generated and maintainable revenue and earnings of Candy Club;
- 2) The suspended trading status of Candy Club and therefore a lack of available share price;
- 3) The cash balance of the Company and the working capital shortfall position of the Company;
- 4) The main asset of the Company is its status as a listed shell company, noting if the Proposed Transactions are not approved, the Company will likely be de-listed in October 2024¹⁹; and
- 5) The debt-like liabilities of the Company which it is unable to settle should the Proposed Transactions not proceed;
7. Therefore, we have adopted the valuation range under the Net Assets Valuation of \$0.11 per share to \$0.14 per share, as our assessed value of Candy Club shares for the purposes for the Proposed Transactions. Note that the number of shares used to determine this valuation range incorporates the issuance of shares to settle unpaid Director fees outlined above and the 56-for-1 share consolidation, both of which are to be undertaken prior to the Proposed Transaction.

As set out below, in assessing our valuation range, we have had regard to the minimum and maximum value observed in conjunction with the Net Asset Value approach. We note that the value of Candy Club does not vary significantly.

Our assessed value of shares in Candy Club is summarised in the chart and table as follows:

Candy Club Shares Valuation Summary



Candy Club Holdings Limited		
Assessed Value per Share (Controlling Basis)		
\$ per Share	Low	High
Value per Share – Net Asset Approach	0.11	0.14
Value per Share – Quoted Share Price	-	-
Assessed Value per Share on a Controlling Basis	0.11	0.14

Source: Titan Partners Corporate Finance Analysis

¹⁹ Per the announcement to the ASX on 6 May 2024 titled "Proposed Acquisition of Scalare Partners"

9. Value of Candy Club Post Proposed Transactions

9.1 Valuation Summary

We have determined the market value of Candy Club post the Proposed Transactions on a minority interest basis, to be in the range of \$0.14 to \$0.16 per share. In determining this range of value, we have relied on a SOTP approach, as summarised below.

Candy Club Holdings Limited Value of Consideration Summary (\$ per share)		
\$ per Share	Low	High
Sum of the Parts Approach		
Value per Candy Club share on a Controlling Basis Post Proposed Transactions	0.19	0.20
Less: Minority Discount	(23.08%)	(23.08%)
Total Value of Candy Club share on a Minority Interest Basis Post Proposed Transactions	0.14	0.16

Source: Titan Partners Corporate Finance Analysis

The remainder of this section sets out our assessment of the above values for Candy Club shares post the Proposed Transactions (“**Post Transaction Candy Club Shares**”), where our approach considers:

- the current value of Candy Club as set out in Section 0 above;
- the current value of Scalare; and
- Total Candy Club shares on issue post the Proposed Acquisitions.

9.2 Value of Scalare

There are 3 key components of value in the Scalare business, we have assessed the value of Scalare shares on a using a sum of the parts approach comprising multiple methodologies. Specifically, we adopt:

- a capitalisation of revenues methodology to value the professional services operations;
- a capitalisation of revenues methodology to value the recently acquired TRW operations; and
- a net asset value methodology for the investments in early-stage companies.

Set out below is a summary of our valuation assessment of Scalare based on the sum of the parts approach.

Scalare Partners Pty Limited Equity Value (Controlling Basis)			
\$'000s	Notes	Low	High
Enterprise Value – Services	1	1,747	2,701
Enterprise Value – TRW	2	1,790	1,989
Investments	3	10,283	10,283
Enterprise Value (Controlling Basis)		13,820	14,973
Add: Surplus Cash	4	943	943
Add: Loan Receivable	5	125	125
Less: Deferred Tax Liability	6	(843)	(843)
Equity Value (Controlling Basis)		14,045	15,198
Number of Shares Outstanding		74,000,000	74,000,000
Value per Share (\$) (Controlling Basis)		0.19	0.21

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

We note the following with respect to the equity value of Scalare above:

1. In determining the value of the professional services operations of Scalare, we have relied on Management information with respect to the performance of the Business. Refer to Section 9.2.1 for further detail.
2. In determining the value of the TRW operations of Scalare, we have relied on Management information with respect to the performance of the Business. Refer to Section 9.2.2 for further detail.
3. In determining the value of the Investment operations of the Business we have relied on the audited Investments balance combined with further Management information to reflect movements in the value of the Investments since the last audited reporting date. Refer to Section 9.2.3 for further detail.
4. Scalare holds cash reserves in excess of calculated working capital requirements. As such, we have included the surplus cash holdings in calculating the equity value of the Business. See below calculation of surplus cash.

Scalare Partners Pty Limited	
Surplus Cash – YTD2024	
\$'000s	Balance
Working Capital Assets	87
Less: Working Capital Liabilities	(335)
Net Working Capital	(247)
Cash Balance	1,191
Surplus Cash	943

Source: Titan Partners Corporate Finance Analysis

5. As outlined in Section 8.2, Scalare has provided a \$125,000 loan to Candy Club. We are advised this loan is only repayable if Candy Club terminates the Proposed Transactions and is not required to be repaid if the Proposed Transactions are completed or are terminated under any other means. However, the loan remains an asset of Scalare as at the date of this Report and has been incorporated accordingly in the above calculation of Equity Value.
6. Deferred Tax Liability on unrealised gains on Investments held is a debt item that has been included in determining the equity value of Scalare as the tax on the gains will be owed to the ATO when Scalare realises its position in the Investments.

9.2.1 Capitalisation of Revenue – Services

With respect of the professional services offering of Scalare only, we have assessed the value of this business on a controlling basis using a Capitalisation of Revenue methodology. The services offered by Scalare includes the provision operational, finance, business development and corporate governance expertise to the early-stage companies.

Set out below is our valuation assessment of the Scalare Professional Services business.

Scalare Partners Pty Limited			
Enterprise Value (Controlling Basis) – Services			
\$'000s	Notes	Low	High
Future Maintainable Revenue	1	1,456	1,589
Multiple (Controlling Basis)	2	1.20x	1.70x
Enterprise Value (Controlling basis)		1,747	2,701

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

In assessing the value of the services operations of Scalare, we have selected a Capitalisation of Revenue methodology, which is based on the application of revenue multiples to estimated future maintainable revenues of the business. The approach is commonly adopted in early-stage operations such as Scalare where the business is yet to generate positive earnings, or reliable cash flow forecasts are not available to adopt other cash flow based methodologies.

We consider a capitalisation of revenue approach the most appropriate to assess the fair market value due to the following factors:

- Revenue multiples are frequently used as a valuation metric for early-stage businesses such as Scalare, which provides services to technology-focused businesses, which are yet to generate positive earnings while achieving high levels of revenue growth as the business scales and expands into its target markets, however are yet to achieve cash or accounting breakeven;
- As a young business founded only in 2020, Scalare is yet to generate positive earnings and has variability in operating profit margins. The value of businesses with such characteristics is driven by their growth potential and capacity to increase market share, as opposed to current earnings generation and dividend distribution.

While the capitalisation of future maintainable earnings methodology is a commonly utilised methodology, we do not consider the application of this methodology to be appropriate as our primary methodology, and it is considered as a potential cross-check only unless positive earnings can be measured.

We note the following with respect to the value of the professional services business of Scalare above:

1. Scalare Management provided current sales pipeline information showing the services business is continuing to increase its revenue growth. After removing the effects of the acquisition of TRW in the pro forma Profit & Loss presented in Section 6.4, we note that Scalare has recorded services revenue of \$1,335,000 in the first 11-months of FY2024, compared to full year revenue of \$1,067,000 in FY2023 and \$915,000 in FY2022. Given the continued growth experienced by the Company, we have taken a conservative view of extrapolating YTD2024 revenue for the final month of FY2024 to calculate a low range of future maintainable revenue estimate of a full year's performance. Based on sales information provided by Scalare Management, we have adopted the budgeted sales pipeline for the final 1-month of FY2024 plus the actual YTD2024 performance as our high range revenue estimate.
2. We note that our adopted base revenue multiple of 1.2 times is consistent with the average of the comparable transactions identified in our analysis. Refer the discussion below for detail of our adopted multiple range.

The multiple applied in the valuation of a business under the capitalisation of revenue approach takes into account the unique features of that business, including its business profile, assessed risks and the industry within which it operates. The selection of an appropriate multiple for Scalare's services operations is a matter of professional judgement. In determining the applicable multiple, we have had regard to a combination of factors including but not limited to:

- The specific risk of the Scalare businesses, including the current size of operations, competitive environment and age of the professional services business.
- Scale of operations with regards to both domestic and international exposure.
- The level of diversification in the product and services offerings of Scalare.
- Current and future prospects of the Scalare's operations.

To assist the selection of this multiple, we have examined the implied multiple on completed transactions of businesses we consider are comparable to the Scalare services business. Our criteria for identifying comparable transactions were those which operate in the consulting and advisory industries. We considered comparable companies on two basis; those that operate in a consulting and advisory capacity to any industry, and those that operate in consulting and advisory to the technology sector. We have considered only those transactions involving a majority interest and a change in control of the target company from the selected transactions, thus the resulting transaction multiples are inclusive of a control premium, consistent with the Proposed Acquisition of 100% of the shares in Scalare by Candy Club.

Our analysis identified 17 comparable transactions which we consider to be potentially relevant in forming our view on an applicable revenue multiple for Scalare, with 10 transactions for businesses operating in a consulting and advisory capacity to any industry, and 7 transactions for businesses operating in a consulting and advisory capacity to the technology sector. The average implied revenue multiple of transactions for both groupings of companies was both 1.2 times revenue, demonstrating that businesses that provide consulting and advisory services attracted an average revenue multiple of 1.2 times revenue, regardless of exposure to the technology sector. Further details on the comparable transactions we have identified are set out in Appendix 7.

We note that of the 17 comparable transactions, 14 had an implied enterprise value of \$32 million and below. Of the 3 remaining comparable transactions, their respective implied enterprise values were \$173 million, \$189 million and \$420 million. While these comparable companies are larger than the enterprise value ascribed to Scalare, we still view these as comparable and have included them in our analysis as their business activities is similar to that of Scalare. As a result, we have calculated the average of all 17 comparable transactions as the low range of the multiple as we are of the view all comparable transactions identified are relevant to Scalare's services operations. However, we note that Scalare has increased its revenue each year of operations, increasing by 59% from FY2022 to FY2024 (being YTD2024 extrapolated to a full year for the remaining 1 month). Note that the 59% increase is exclusive of TRW revenue. Additionally, we identified those transactions that we consider to be most comparable to Scalare's service operations and noted that such businesses were transacted on a higher revenue multiple. These transactions are summarised below.

Scalare Partners Pty Ltd					
Most Comparable Transaction Multiples – Service Operations					
Announced Date	Target	Acquirer	Sought %	Enterprise Value (m)	Revenue Multiple
02/05/2023	Shoreline Consulting Pty Ltd	Alpha Financial Markets Consulting plc (AIM:AFM)	100	13	1.7 x
18/02/2023	Peter Lee Associates Pty Ltd.	CRISIL Irevna Australia Pty Ltd	100	6	1.9 x
23/10/2020	Momenton Pty. Ltd	Tech Mahindra (Singapore) Pte Ltd.	100	14	1.3 x
27/07/2021	WorkForce Delta Pty Ltd.	Cyient Australia Pty. Ltd.	100	3	1.8 x
				Average	1.7 x
				Midpoint	1.6 x

Source: S&P Capital IQ, Titan Partners Corporate Finance Analysis

As shown, the most comparable transactions were transacted on a range between 1.3 times and 1.9 times revenue, with an average of 1.7 times and a midpoint of 1.6 times. Considering the historical growth and sales pipeline of Scalare, combined with the higher revenue multiple of the most comparable companies compared to the full sample of 17 comparable transactions, we consider the high range multiple for Scalare should be greater than the 1.2 times we adopted as our low range estimate. Based on the above most comparable transactions, we have determined that a high range of 1.7 times to be appropriate for the high range of revenue multiple for Scalare's services operations, which is line with the identified most comparable transactions above.

Trading Multiples

In addition to the identified transactions, we have considered the current trading revenues multiples of Australian listed comparable companies. We have identified a number of early-stage investor companies on the ASX, however we do not consider these to be relevant in assessing the value of Scalare's services business as the identified companies do not offer the services that Scalare provides, instead they act as investors in early-stage companies only which we have considered separately in Section 9.2.3. As such, we consider that there are no currently no direct comparable businesses to Scalare listed on the ASX, hence we have broadened our criteria to service providers. Summarised below are the trading multiples of such companies.

Scalare Pty Limited Comparable Trading Multiples – Services						
Company	Ticker	Market Cap (\$m)	Enterprise Value (\$m)	Revenue Multiple		
				FY2022	FY2023	TTM Dec23
Acumentis Group Limited	ASX:ACU	13.3	18.3	0.3 x	0.3 x	0.3 x
AF Legal Group Limited	ASX:AFL	14.9	17.4	1.4 x	0.9 x	0.8 x
Atturra Limited	ASX:ATA	205.8	163.7	0.8 x	0.9 x	0.8 x
Count Limited	ASX:CUP	55.6	74.9	1.1 x	0.8 x	1.0 x
CPT Global Limited	ASX:CGO	10.1	7.7	0.3 x	0.3 x	0.2 x
DRA Global Limited	ASX:DRA	103.4	46.7	0.0 x	0.1 x	0.0 x
Kelly Partners Group Holdings Limited	ASX:KPG	212.4	291.8	3.4 x	3.4 x	3.1 x
Prime Financial Group Limited	ASX:PFG	37.9	48.6	1.6 x	1.4 x	1.7 x
Pureprofile Ltd	ASX:PPL	29.5	30.4	1.4 x	0.7 x	0.7 x
SOCO Corporation Ltd	ASX:SOC	29.0	24.4	NA	1.2 x	1.1 x
Veris Limited	ASX:VRS	41.5	44.3	0.6 x	0.4 x	0.4 x
Average				1.1 x	1.0 x	0.9 x
Average Excl. Low/High				1.0 x	0.8 x	0.8 x

Source: S&P Capital IQ, Titan Partners Corporate Finance Analysis

We note that the identified comparable companies have an observable difference in revenue multiple between the identified comparable transactions and the trading multiple of the comparable companies. We note that this can be due to a range of factors unique to each business, however we observe a difference in the revenue growth experienced by Scalare and the comparable companies identified above. As such, we compared the revenue growth in Scalare's services business to those companies identified below.

Scalare Pty Limited Comparable Trading Multiples – Revenue Analysis						
Company	Ticker	TTM Multiple	Revenue			
			FY2022	TTM Dec23	Growth %	
Acumentis Group Limited	ASX:ACU	0.3 x	55.4	55.0	(1%)	
AF Legal Group Limited	ASX:AFL	0.8 x	17.0	20.8	22%	
Atturra Limited	ASX:ATA	0.8 x	134.6	206.6	54%	
Count Limited	ASX:CUP	1.0 x	85.3	94.0	10%	
CPT Global Limited	ASX:CGO	0.2 x	29.9	23.2	(22%)	
DRA Global Limited	ASX:DRA	0.0 x	894.7	885.2	(1%)	
Kelly Partners Group Holdings Limited	ASX:KPG	3.1 x	64.9	96.5	49%	
Prime Financial Group Limited	ASX:PFG	1.7 x	26.3	36.0	37%	
Pureprofile Ltd	ASX:PPL	0.7 x	35.6	45.5	28%	
SOCO Corporation Ltd	ASX:SOC	1.1 x	13.4	20.4	52%	
Veris Limited	ASX:VRS	0.4 x	92.4	96.7	5%	
Average		0.9 x	Average		21%	

Source: S&P Capital IQ, Titan Partners Corporate Finance Analysis

With respect of the identified comparable trading companies above:

- We note that of the comparable companies, 4 experienced greater growth over the period than Scalare. These 4 companies trade at an average 1.7 times revenue multiple, which is at the high end of the 1.2 times to 1.7 times we have adopted in our valuation. This indicates that companies with faster growth than similar companies trade on higher multiples than their lower growth peers. Given Scalare's services revenue growth

over the same period is 33%, we are of the view that assigning a revenue range slightly below the faster growing comparable companies is appropriate.

- The 4 companies that grew faster than Scalare is being skewed by Kelly Partners Group Holdings Limited (“Kelly Partners”) due to its significantly higher multiple of 3.1 times revenue. Kelly Partners is an accounting services firm with recurring, annuity revenue. Given its outlier status, as the next highest revenue multiple is 1.7 times, the average across the remaining 3 companies is 1.2 times which aligns to the low of our multiple range.

As such, based on the above analysis of comparable transactions and comparable trading companies, our selected multiple range applicable to the Scalare services business is 1.2 times to 1.7 times revenue.

9.2.2 Capitalisation of Revenue – TRW

The second component in our sum of the parts approach to the value of Scalare is the TRW operations, which was acquired in April 2024. TRW is an online education and learning platform for women entrepreneurs seeking to build successful startups. The Business runs programs and communities to help female founders, assisting them with training in technology and business. Consistent with our approach to the value of the professional services business, we have assessed the value of TRW on a controlling basis using a Capitalisation of Revenue methodology.

Set out below is our valuation assessment of Scalare’s TRW business based on the Capitalisation of Revenue methodology.

Scalare Partners Pty Limited				
Equity Value (Controlling Basis) – TRW				
\$'000s	Notes	Low	High	
Future Maintainable Revenue	1	1,053	1,657	
Multiple (Controlling Basis)	2	2.00x	1.50x	
Enterprise Value (Controlling basis) – Pre-Earnout Payments	3	2,106	2,486	
Less: Earnout Payments	3	(316)	(497)	
Enterprise Value (Controlling basis) – Post-Earnout Payments		1,790	1,989	

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

As outlined in Section 9.2.1 in assessing the value of the professional services operations of Scalare, the Capitalisation of Revenue methodology is based on the application of revenue multiples to estimate future maintainable revenues of the business, being a commonly adopted approach for technology-based and early-stage operations businesses. Accordingly, we adopted the same Capitalisation of Revenue methodology to value TRW, which in our view is the most appropriate to assess the fair market value based on the following factors:

- Revenue multiples are frequently used as a valuation metric for early-stage businesses such as TRW and other technology-focused businesses which are yet to generate positive earnings while achieving high levels of revenue growth as the business scales and expands into its target markets, however are yet to achieve cash or accounting breakeven;
- Similar to the professional services business of Scalare, TRW does not have a history of positive earnings. The value of businesses with such characteristics is driven by their growth potential and capacity to increase market share, which for TRW encompasses management’s plan to expand the business into other states in Australia.
- While the capitalisation of future maintainable earnings methodology is a commonly utilised methodology, we do not consider the application of this methodology to be appropriate as our primary methodology, given the lack of positive earnings and thus maintainable earnings cannot be reliably measured.

We note the following with respect our valuation of TRW above:

1. Scalare has provided the current sales pipeline and additional information regarding the expected revenues of TRW. We have adopted the \$1.053 million in secured revenue for FY2025 per the sales pipeline as our low range of future maintainable revenue. We have also reviewed the sales pipeline for subsequent periods and

have adopted management's second year forecast of revenue of \$1.657 million as our high range future maintainable revenue, to account for additional growth above the base secured level of income.

- We note that our adopted base revenue multiple of 1.5 times is consistent with the average of the comparable transactions identified in our analysis, while our current 2.0 times multiple reflects the growth prospects currently available to the TRW business. Refer below for more detail on our selected multiple range.
- When assessing the value of TRW, we have considered the earn out payments due to the vendors of TRW over the next 3 years in accordance with signed transaction agreements. We note that the earn out payments are calculated as a 30% revenue share for the next 3 years. As these payments are a liability of Scalare, we have adjusted the consideration payable to the vendors based on the future maintainable revenues manage expects to generate, as Scalare will receive the benefit of the net 70% revenue generated.

The multiple applied in the valuation of a business under the capitalisation of revenue approach takes into account the unique features of that business, including its business profile, assessed risks and the industry within which it operates. The selection of an appropriate multiple for the TRW operations is a matter of professional judgement. In determining the applicable multiple, we have had regard to a combination of factors including but not limited to:

- The specific risk of the TRW business, including the current size of operations, competitive environment, track record and age of the Business;
- Scale of operations with regards to current geographical footprint of the TRW business;
- The level of diversification in the product and services offerings of TRW as part of Scalare; and
- Current and future prospects of the TRW operations.

To assist the selection of this multiple, we have examined the implied multiple on completed transactions of businesses we consider are comparable to TRW. Our criteria for identifying comparable transactions were those which operate in the education and events industry, with a specific niche focus. We have only considered those transactions involving a majority interest and a change in control of the target business from the selected transactions, thus the resulting transaction multiples are inclusive of a control premium, consistent with the Proposed Acquisition of 100% of the shares in Scalare by Candy Club.

Our analysis identified 6 comparable transactions which we consider to be relevant in forming our view on an applicable revenue multiple for Scalare's TRW business. These 6 transactions are businesses that operate in the education and events industry, with a focus on a specific sector. The average implied revenue multiple of transactions for the identified transactions was 1.5 times revenue. Further details on the comparable transactions we have identified are set out in Appendix 8. We note that the largest enterprise value in our sample was \$8 million. Given the size of TRW, the amount paid by Scalare to acquire it, the enterprise value of TRW and the operations of the comparable transactions to TRW, we consider all transactions are relevant in determining the revenue multiple used in calculating TRW's equity value.

Trading Multiples

In addition to the identified transactions, we have considered the current trading revenues multiples of Australian listed comparable companies. We note that there are currently no directly comparable business to TRW listed on the ASX, hence we have broadened our criteria to niche education providers. Summarised below are the trading multiples of such companies.

Scalare Pty Limited Comparable Trading Multiples – TRW						
Company	Ticker	Market Cap (\$m)	Enterprise Value (\$m)	Revenue Multiple		
				FY2022	FY2023	TTM Dec23
Cluey Ltd	ASX:CLU	16.8	2.5	1.4 x	0.2 x	0.1 x
Kip McGrath Education Centres Limited	ASX:KME	25.6	20.1	2.0 x	0.9 x	0.7 x
NextEd Group Limited	ASX:NXD	161.7	175.3	3.1 x	3.2 x	1.5 x

Scalare Pty Limited Comparable Trading Multiples – TRW						
Company	Ticker	Market Cap (\$m)	Enterprise Value (\$m)	Revenue Multiple		
				FY2022	FY2023	TTM Dec23
Academies Australasia Group Limited	ASX:AKG	35.8	70.0	1.6 x	1.9 x	1.5 x
EDU Holdings Limited	ASX:EDU	23.1	34.6	1.6 x	1.9 x	1.6 x
ReadyTech Holdings Limited	ASX:RDY	410.1	441.5	4.6 x	4.0 x	4.0 x
Average				2.4 x	2.0 x	1.6 x
Average Excl. Low/High				2.1 x	1.9 x	1.3 x

Source: S&P Capital IQ, Titan Partners Corporate Finance Analysis

We note that the 1.6 times average revenue multiple for the identified comparable trading companies is comparable to the average multiple of 1.5 times from our analysis of comparable transactions. Additionally, we note that in FY2022 and FY2023, the same companies were trading at higher revenue multiples comparatively to TTM-Dec 2023.

We have selected a revenue multiple of 1.5 times to 2.0 times for TRW. Given the growth prospects available and current pipeline of the business into the FY2025 year, we consider a higher multiple of 2.0 times being above the average of the transactions identified and current multiples on comparable trading companies to be appropriate to apply to our 'low' range revenue set out above. As our 'high' range revenue estimate reflects some growth being in the second year based on Management projections, we consider there is greater uncertainty to such revenues than the current pipeline of TRW, accordingly we apply the lower revenue multiple of 1.5 times to this higher level of earnings. As such, we consider our low range of 1.5 times to be in line with the current market levels being at a slightly conservative level, with our high range of 2.0 times being slightly above comparable trading companies average to reflect TRW's future revenue growth that has been secured.

Based on the above analysis of comparable transactions and comparable trading companies, our selected multiple range applicable to the Scalare TRW business is 1.5 times to 2.0 times revenue.

9.2.3 Net Assets Valuation – Investments

The third component in our sum of the parts approach to the value of Scalare is the investments held in early-stage companies, which we have assessed the value of on a controlling basis using an asset value methodology.

Set out below is our valuation assessment of Scalare's investments based on the asset value methodology.

Scalare Partners Pty Limited Equity Value (Controlling Basis) – Investments		
\$'000s	Low	High
Investments	10,283	10,283
Equity Value (Controlling basis)	10,283	10,283

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

The above valuation of Scalare's investments represents the audited 31 December 2023 carrying value of the portfolio of early-stage businesses held, with adjustments to reflect the movements in equity arising from issue of new shares to Scalare in lieu of cash payment for services performed, and any additional investments made since 1H2024.

Set out below is a summary of our calculation of the movement of the investments from the 31 December 2023 balance to our adopted value presented above.

Scalare Partners Pty Limited Investments Movement Reconciliation		
\$'000s	Notes	Balance
Reported value as at 31 December 2023	1	9,985
Additional Equity Received since 31 December 2023	2	58
New Investment post 31 December 2023	3	240
Adjusted Value as at 31 March 2024		10,283

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

We note the following with respect to the equity value of Scalare's investments above:

1. Reported value of Investments as at 31 December 2023 per the audited 1H2024 Financial Report of Scalare. We have reviewed management's supporting calculations and methodologies in arriving at the carrying value.
2. The movement in equity value represents additional shares received by Scalare in certain existing investments in early-stage companies, as remuneration for services provided. There are several instances of additional equity being issued to Scalare in each of the respective investee companies since the end of 1H2024 totalling \$58,000, based on the same valuation of the corresponding investments as at 31 December 2023. For the avoidance of doubt there has been no revaluation of the investment portfolio since 31 December 2023.
3. We obtained the investment portfolio from Management as of 31 March 2024 and identified any movements from the audited 31 December 2023 balance. Additional investments totalling \$240,000 were made in two new early-stage businesses. Refer to Appendix 9 for further details on the investment portfolio held.

9.2.4 Cross Check to Net Tangible Assets

To cross check our findings on the value of Scalare set out above using the sum of the parts approach, we have had reference to the adjusted Balance Sheet of Scalare as at 31 December 2023 and the balance sheet adjustments as set out in Section 6.5 to calculate the implied intangible asset value in Scalare. The following table summarises these calculations:

Scalare Partners Pty Limited Goodwill Cross Check			
\$'000s	Notes	Low	High
Equity Value (Controlling basis)		14,045	15,198
Adjusted Net Tangible Assets		10,388	10,388
Implied Intangible Assets / Goodwill		3,658	4,810
Future Maintainable Revenue		2,509	3,246
Goodwill as Multiple of Revenue	1	1.46x	1.48x

Source: Scalare Management Information, Titan Partners Corporate Finance Analysis

We note the following with respect to the valuation cross check for Scalare above:

1. The implied goodwill as a multiple of revenue in the range of 1.46 times to 1.48 times is consistent with the multiples we have applied to Scalare's services operations (being 1.2 times to 1.7 times) and Scalare's TRW business (being 1.5 times to 2.0 times). We note that the implied multiple above is at the low end of the TRW business multiple range. Given the growth of the TRW business and its secured revenues for next financial year, we consider our adopted multiple of 1.5 times to 2.0 times applied to the revenue is appropriate. Accordingly,

we consider the multiples we have used in valuing the professional services and TRW operations of Scalare to be appropriate.

9.3 Value of Post Transaction Entity

The value of Candy Club shares post the Proposed Transactions held by the Existing Shareholders is the combined equity value of Candy Club and Scalare, as well as the additional amounts raised during the Offer. Set out below is our assessment of the equity value of Candy Club post the Proposed Acquisition but before the Offer.

Candy Club Holdings Limited			
Candy Club Holdings Equity Value Post Proposed Acquisition			
\$'000s	Notes	Low	High
Net Assets of Candy Club		(49)	(49)
Equity Value of Scalare on Controlling Basis		14,045	15,198
Loan Extinguished	1	(125)	(125)
Combined Equity Value before Offer (Control Basis)		13,871	15,024

Source: Titan Partners Corporate Finance Analysis

We note the following with respect to the equity value of the combined entity above:

- Should the Proposed Transactions proceed, the loan receivable held by Scalare would be extinguished as the Proposed Transactions are effectively a merger between Candy Club and Scalare. As such, we have removed the effect of the loan from the equity value of Scalare.

Post Transaction Shareholding Structure

As set out in Section 4.2 above, Candy Club will issue 72,000,000 new shares in the Company to the vendors of Scalare. Upon completion of the Proposed Acquisition of Scalare (and associated share consolidation by the Company), the total shares outstanding in Candy Club will be 74,000,000 prior the Offer, as summarised in the following table.

Candy Club Holdings Limited		
Post Completion Shareholding Structure – Pre-Offer		
	Shares	%
Existing Candy Club Shares on Issue as at 6 May Announcement	99,999,733	135.1%
Candy Club Shares on Issue prior to the Proposed Transactions	99,999,733	135.1%
Candy Club New Shares to be Issued for Unpaid Director Fees	12,000,267	16.2%
Share Consolidation of 1 for 56 Candy Club Shares on Issue	(110,000,000)	(148.6%)
Candy Club Shares on Issue	2,000,000	2.7%
Candy Club New Shares to be Issued to Vendors	72,000,000	97.3%
Candy Club Shares on Issue – Prior to the Offer	74,000,000	100.0%

Source: ASX Announcements, Titan Partners Corporate Finance Analysis

The final shareholding of Existing Shareholders in the Company post the Proposed Transactions will depend on the amount of funds raised and shares issued in the Offer. If the Offer is completed at the minimum amount of \$4 million, the existing shareholders of Candy Club will hold 2.2% of total shares on issue post the Proposed Transaction. Should the maximum amount of \$8 million be raised under the Offer, the shareholding of Existing Shareholders will be 1.9%.

Pro-forma Combined Value per Share

Candy Club Holdings Limited			
Candy Club Holdings Equity Value Post Transaction (Minority Basis)			
	Note	Low	High
Combined Equity Value post Transaction (Control Basis) (\$'000s)		13,871	15,024
Number of Candy Club shares on issue post Transaction		74,000,000	74,000,000
Value of Candy Club per share post Transaction on Control Basis (\$ per share, pre-Offer)	1	0.19	0.20
Less: Discount for Minority Interest	2	(23.08%)	(23.08%)
Value of Candy Club per share post Transaction on Minority Basis, pre-Offer	2	0.14	0.16

Source: Titan Partners Corporate Finance Analysis

We note the following with respect to the value of Candy Club per share calculation above:

1. The combined equity value per share (on a controlling basis) is calculated by dividing the total Combined Equity Value post the Proposed Acquisition on a controlling interest basis by the expected number of Candy Club shares on issue post the Proposed Transactions as calculated above.
2. The combined equity value derived for the Candy Club post Transaction is by definition on a controlling interest basis, being our valuation of Candy Club and Scalare using the sum of the parts methodology. As Existing Shareholders will hold a minority interest in Candy Club, we have therefore considered the relevant minority discount to apply to the controlling basis value of Candy Club post Transaction, consistent with requirements under RG111 in the assessment of the consideration offered for Candy Club shares post Proposed Transaction. Refer below for further detail on the Discount for Minority Interest adopted.

We have determined the value of Candy Club post the Proposed Transaction per share, under a sum of the parts methodology, is from between \$0.14 to \$0.16 per share on minority interest basis.

Control Premium / Discount for Minority Interest

As discussed above, we are required under RG111 to assess the post Proposed Transactions value of Candy Club on a minority interest basis. Accordingly, a discount for minority interest must be applied, being the inverse of a premium for control. A control premium reflects the additional value that attaches to a controlling interest in the Company over a minority or portfolio interest as represented by the share price.

The control premium varies from transaction to transaction and is subject to a number of factors, including:

- 1) Nature and magnitude of non-operating assets;
- 2) Nature and magnitude of business opportunities not currently being exploited;
- 3) Level of pre-announcement speculation of the transaction; and
- 4) Level of liquidity in the trade of the target's securities.

Controlling interests in companies are generally not traded on a public exchange, thus the most suitable estimate of control premiums are takeover premiums in transactions. Empirical evidence suggests typical control premiums in a transaction are between 25% and 40%, where "studies in Australia indicate an average premium of around 30% to 35%" and a transaction is "unlikely to succeed at premiums of under 20%"²⁰. We note this is also supported by recent studies on control premiums, which are summarised in the table below. The long-term average control premium for transactions in Australia over the last 10 years is between 26.5% and 35.4%.

²⁰ Lonergan W, "The Valuation of Businesses, Shares and Other Equity", 4th Edition, 2003. A study by RSM Bird Cameron (entitled "Control Premium Study 2013") based on 345 Australian transactions between FY2006 and FY2012 indicates average control premium of 29.3% over share price 5 days before announcement.

Control Premium Study 2021
Transactions in Australia by Year

Financial Year	Number of Transactions	Average Control Premium	Median Control Premium
2012	52	39.5%	28.8%
2013	26	31.4%	14.0%
2014	37	36.1%	22.2%
2015	26	31.4%	31.4%
2016	29	28.3%	21.2%
2017	27	25.5%	27.3%
2018	31	35.9%	27.1%
2019	43	27.6%	28.2%
2020	30	50.7%	36.9%
6 months to 31 Dec	11	48.0%	27.5%

Source: Control Premium Study 2021 published by RSM

In addition to the above, the study found that entities with smaller market capitalisations attract higher premiums, as detailed below.

Control Premium Study 2021
Control Premiums on Transactions by Market Capitalisation

Market Capitalisation	Number of Transactions	Average Control Premium	Median Control Premium
\$0 to \$25M	119	43.8%	40.6%
\$25 to \$50M	67	36.6%	37.1%
\$50 to \$100M	102	32.6%	32.6%
\$100 to \$500M	185	27.0%	26.1%
\$500M +	132	18.0%	17.2%

Source: Control Premium Study 2021 published by RSM

In our assessment of control premium for Candy Club, we have also reviewed recent corporate transactions in Australia as summarised in the following table.

Date Announced	Target	Bidder	Offer Consideration	
			Low	High
18 Oct 2021	Class Limited	HUB24 Limited	2.76	2.94
24 Mar 2023	Estia Health Limited	Bain Capital	3.08	3.08
25 Mar 2024	McGrath Limited	Knight Frank and Bayleys	0.60	0.60
08 Aug 2022	MOQ Limited	Brennan VDI Pty Limited	0.075	0.075
01 Jul 2021	rhipe Limited	Crayon Group Holding ASA	2.50	2.50
10 Nov 2020	RXP Services Limited	Capgemini Australia Pty Limited	0.55	0.55
14 Apr 2022	Uniti Group Limited	MBC BidCo Pty Limited	5.00	5.00

Source: ASX Announcements, S&P Capital IQ Pro, Titan Partners Corporate Finance Analysis

Further details of each of the takeover premium under each of the recent corporate transactions listed above are set out in the table below.

Target	Target VWAP (Low Value)	Target VWAP (High Value)	Takeover Premium (High Value Consideration against Low Target VWAP)	Takeover Premium (High Value Consideration against High Target VWAP)
Class Limited	2.19	2.19	26.03%	34.25%
Estia Health Limited	2.01	2.15	53.23%	43.26%
McGrath Limited	0.39	0.48	53.85%	25.00%
MOQ Limited	0.055	0.059	36.61%	26.69%
rhipe Limited	1.93	2.09	29.53%	19.62%
RXP Services Limited	0.363	0.363	51.52%	51.52%
Uniti Group Limited	3.33	3.74	50.15%	33.69%

Source: ASX Announcements, S&P Capital IQ Pro, Titan Partners Corporate Finance Analysis

We note at the upper end of the value ranges set out above, all of the identified transactions were announced with an offer consideration at a premium to the share price (VWAP) prior to announcement of the respective transaction. The observed premiums to target's VWAP ranged from 26% to 54% for those transactions where a takeover premium was offered by the respective bidder.

With respect to control premium to be paid for control of Scalare, we have considered the following factors:

- 1) The expected resumption of trading in the combined Candy Club entity following the successful completion of the Proposed Transactions;
- 2) The current financial position of Scalare with surplus cash and supported by the Management's expectation of future profits from current available resources and project pipeline;
- 3) The Proposed Transaction is an effective a merger between Candy Cub and Scalare, with current shareholders of Scalare holding between 80% and 68% of the total issued shares in Candy Club following the Proposed Transactions and assuming none takes up shares in the Offer;
- 4) Current market uncertainty around tight monetary policy as a result of increasing inflationary pressures across most key global economies, with Australia's cash rate at its highest level since 2011.

Based on the above, we have assessed and adopted a discount for minority interest of 23.08% for the post Proposed Transaction value of Candy Club, being the mathematical equivalent of a control premium of 30%.

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10. Evaluation of Proposed Transactions

10.1 Approach

We have adopted the guidelines set out in Regulatory Guides issued by ASIC including RG74 and RG111, which govern the content and use of experts' reports in corporate transactions.

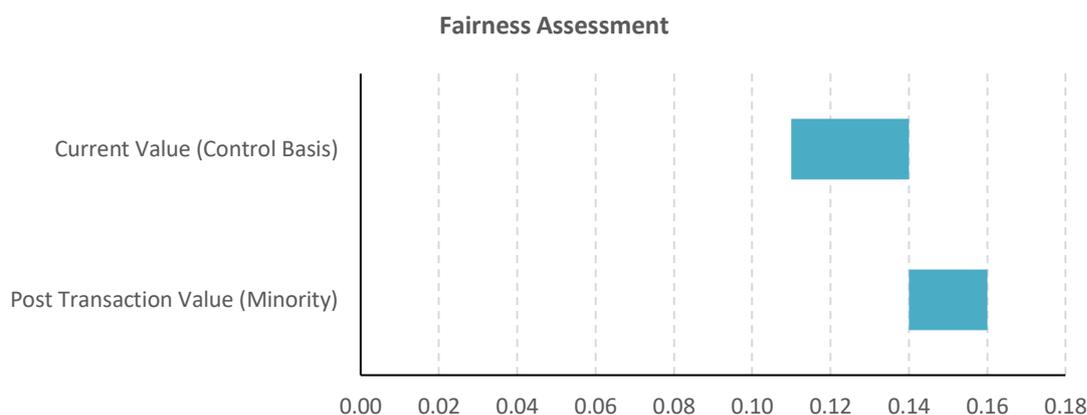
The ASIC regulations require an independent expert to consider takeover proposals under the concepts of "fairness" and "reasonableness", in accordance with RG111.10. We therefore separately consider whether the Proposed Transaction is "fair" and "reasonable" from the perspective of the Shareholders.

10.2 Fair

RG111 considers that a transaction is fair if the value of the offer price or consideration received is equal to or greater than the value of the securities subject to the offer. The comparison should be undertaken assuming a knowledgeable, willing but not anxious buyer and knowledgeable, willing but not anxious seller, where both parties act on an arm's length basis.

As summarised in the following table, the assessed value per Candy Club share on a controlling basis is between \$0.11 and \$0.14. The value of the consideration offered under the Proposed Transactions are represented by the value of Post Transaction Candy Club Shares, which we have assessed in Section 0 above as \$0.14 and \$0.15. The following illustrates that our assessed valuation range of a Candy Club share post the Proposed Transaction on a minority basis exceeds the valuation range of a Candy Club share prior to the Proposed Transaction on a control basis.

We compared the lower, mid-point and upper end of the valuation range of a Candy Club share post the Proposed Transaction on a minority basis, with the respective points on the valuation range of a Candy Club share prior to the Proposed Transaction on a control basis. At all levels, being the lower, mid-point and upper end of the respective valuation ranges, the value of a Candy Club share post the Proposed Transaction are higher. In accordance with RG111, the above valuation analysis indicates that in the absence of any other relevant information, the Proposed Transactions are deemed to be **fair** to Existing Shareholders.



Candy Club Holdings Limited Fairness Assessment		
\$ per Share	Low	High
Assessed Value per Candy Club Shares prior to Proposed Transactions	0.11	0.14
Assessed Value per Candy Club Shares post Proposed Transactions	0.14	0.16
Transaction Assessment	FAIR	FAIR

Source: Titan Partners Corporate Finance Analysis

10.3 Reasonable

RG111 states that a transaction is also “reasonable” if it is “fair”. It also states a transaction may be considered “reasonable” if not “fair”, where an expert concludes there are sufficient reasons to proceed with a transaction in the absence of a higher offer.

Given that we have concluded that the Proposed Transaction is fair, under RG 111, the Proposed Transaction is also reasonable.

10.4 Advantages

In accordance with RG111, we assess the qualitative aspects of the Proposed Transactions to identify the advantages and disadvantages to the Existing Shareholders upon completion.

Resumption of Trading on the ASX

As outlined in Section 4 above, the Proposed Transactions incorporates a share consolidation, issue of new shares to the vendors of Scalare, followed by a planned capital raising. Should the Proposed Transactions be successful, Candy Club will be an operating business with surplus cash, operating assets for its services businesses and an investment portfolio which will enable the Company to meet ASX Listing Rules and return to trading on the ASX.

As noted in Section 5.1, the Company’s shares have been suspended from trade since 11 October 2022, hence Existing Shareholders have been unable to exit their investment in the Company for over 1.5 years. Resumption of trading on the ASX will enable Existing Shareholders to be able to realise their investment in Candy Club and sell their shares in an open market if desired, subject to there being a buyer of the shares. As per the announcement to the ASX on 6 May 2024, should the Proposed Transactions not proceed, Candy Club Management expects the Company to be de-listed from the ASX on or about 15 October 2024.

Operating Activities

Currently, Candy Club does not undertake any operating activities other than incurring expenditure in order to ensure the Company meets its legal and regulatory obligations, such as compliance with the ASX Listing Rules. Following the completion of the Proposed Transactions, shareholders will gain exposure and ownership of a business with existing operating activities that generates revenue, with a growth plan and an established Management team to execute a strategy for the combined entity that will target generating future profits for the Company and value for the shareholders. Without a suitable alternative offer, Candy Club does not have an ability to generate revenues nor has a viable path towards profitability.

Self-funding Acquisition

If completed, the Proposed Transactions will result in Scalare becoming part of a larger Candy Club. Notwithstanding the benefits of merging with a business that has operating activities, as outlined above, as well as other advantages set out below in this Section, the Proposed Transactions adds a new business line to Candy Club without requiring the commitment of additional capital from the Company in the near term. In contrast to the financial position of Candy Club with a reported negative net asset position as at 31 December 2023 as set out in Section 5.5 above and negative net working capital as outlined in Section **Error! Reference source not found.**, the Scalare business is in a strong financial position with net assets of \$10.5 million as set out in Section 0 above and surplus cash holdings. Further, we are advised by the Management of both Candy Club and Scalare that the Scalare business will not require financial support to fund working capital requirements for the short term. Therefore, the Proposed Transactions not only expands the current business of the Company, such expansion and the advantages which entail with the Proposed Acquisition as set out in this section will be achieved without the commitment of additional cash funding which from the Existing Shareholders.

Increase in Size and Scale

If Candy Club Shareholders approve the Proposed Transactions, the effective result is a merger between the Company and the Target, whereby Existing Shareholders of Candy Club and vendors of Scalare will collectively own the combined business. There are benefits for both entities involved in the Proposed Transactions, with Scalare's Management expecting to utilise the listed status to facilitate continued growth of the Business in both its investments and service operations. Should this be successful, Existing Shareholders will be a direct beneficiary of any growth achieved by the new merged entity.

Potential for Valuation Uplift

Upon completion of the Proposed Transactions, the current Scalare business outlined in Section 6 will effectively become a listed entity. While our valuation assessment in Section 9.2 outlines the current fair value of the Scalare business as a privately held company, there is potential for a further valuation uplift as it transitions into a listed entity. In particular, we note that as an ASX-listed business, Scalare (as part of Candy Club post the Proposed Transaction) will access benefits typical of a publicly listed enterprise, including liquidity of shareholdings via a public securities exchange and improved access to capital markets for future capital raisings to fund growth and expansion. Existing Shareholders will benefit from any uplift in value as continuing shareholders of the Company.

No alternative offers

At the date of this Report, there are no alternative offers received from other parties with respect to Candy Club. Accordingly, the Proposed Transactions offers an opportunity to shareholders that is otherwise unavailable.

Liquid investment

Upon successful completion of the Proposed Transactions, Shareholders will effectively exit an illiquid position in a company with no material operating business and have exposure to an operating business without having to sell their Candy Club shares. Shareholders will avoid transaction costs such as brokerage and potentially capital gains taxation that might apply if they sought alternative ways to achieve a similar result.

Escrow Arrangement

Per the Application for In-Principle Advice to the ASX, all shares held by Scalare Directors, officeholders and significant shareholders (entities with greater than 5% of Scalare's share on issue) are to be held in escrow for 2 years. Such escrow terms are advantageous to the Existing Shareholders as it restricts the sale of those shares for that period which should assist to support the share price in the short term, while aligning the significant vendor shareholders with the longer-term performance of the Company.

Ongoing Alignment of Shareholders with Executives and Directors

As set out in Section 6.2, shareholdings associated with the current executives of Scalare and proposed directors of Candy Club post the Proposed Transaction comprise 6 of the 10 current largest shareholders of Scalare, therefore will become major shareholders of the Company post the Proposed Transaction. These executives and directors will be involved in the merged business post the Proposed Transaction and have a vested interest in its future success through their shareholdings. Further, we are advised that certain executives and directors intend to subscribe to the Offer and may increase their interests in the combined Candy Club-Scalare business. Accordingly, the interests of Candy Club shareholders will continue to be aligned with incoming management and directors after the Proposed Transaction, therefore is an advantage of the Proposed Transaction.

10.5 Disadvantages***Dilution of Existing Interests***

If the Proposed Transactions are approved, the interests of Existing Shareholders will be diluted. Inclusive of new shares issued for the acquisition of Scalare and the planned Offer, Existing Shareholders will collectively hold 1.9%

to 2.2% of the issued shares of the Company. However, Existing Shareholders will own an enlarged business with revenue generating operating activities as outlined above.

Change in Control

If the Proposed Transactions are approved, there will be an impact on the voting power and ownership of Candy Club. As set out in Section 0 above, Existing Shareholder's voting and ownership interests in Candy Club will be reduced to between 1.9 and 2.2%, as the current shareholders of Scalare will be issued shares in the Company.

Upon completion of the Proposed Transactions, the vendors of Scalare (inclusive of the additional shares issued in the planned Offer) will hold between 68% and 80% of Candy Club issued share capital in aggregate (assuming none take up shares under the Offer). As such, those parties (if acting as associates) will have effective control of the Company and would be able to control the strategic direction and executive decision making, including future dividend policy.

Deters Alternative Offers

As outlined above, if the Proposed Transactions are approved the Scalare vendors will hold between 68% and 80% interest in Candy Club (assuming none take up shares under the Offer), and will therefore be in a position to block and/or control the outcome of any future takeover (or comparable change of control transaction) due to the size of their aggregate shareholdings.

Prima facie therefore, if the Proposed Transactions are approved, the prospects of a future takeover offer or other control transaction are diminished.

Announcement and approval of the Proposed Transactions by Shareholders may prevent alternative offers or proposals from being lodged by other parties. There is always the possibility that a higher offer will be submitted for the shares in Candy Club, creating a larger return for the Shareholders. In our opinion this is unlikely, given that Candy Club is not actively seeking offers, the Directors have not advised that there are any other bidders currently seeking to make a counter-offer and discussions to date between the Company and Scalare have been collaborative.

Proposed Transactions may proceed regardless

The Proposed Transactions may proceed even if you choose to vote against it. As a resolution to be voted on at a general meeting of Existing Shareholders, the Proposed Transactions will take place in accordance with the agreed terms where all the requisite conditions and approvals have been received, including approvals by the respective boards and the required number of voting Candy Club shares. For the Proposed Transactions to be approved, the resolution must be passed at meetings of shareholders by a simple majority of 50% of the votes cast, being an ordinary resolution.

Director Recommendation

All of the Directors of Candy Club have recommended that Shareholders to vote in favour of the Proposed Transactions.

10.6 Conclusion

Based on our assessment of the qualitative and quantitative factors of the Proposed Transaction outlined above in this Section, Titan Partners Corporate Finance concludes that, in our opinion, the Proposed Transaction is considered to be **fair and reasonable** to Existing Shareholders of Candy Club in the absence of a superior proposal.

The decision of any individual shareholder to accept or reject the Proposed Transaction is subject to and influenced by his or her individual circumstances. Titan Partners Corporate Finance strongly advises Shareholders to consult their independent advisors if in doubt.

Titan Partners Corporate Finance Pty Limited
Australian Financial Services Licence
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Financial Services Guide

Titan Partners Corporate Finance Pty Limited ABN 38 177 095 636 (“Titan Partners Corporate Finance”, “we”, “us”) has been engaged to prepare general financial product advice in the form of an Independent Expert’s Report to be provided to you.

In this circumstance we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to assist retail clients to make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

The FSG herein contains information with regards to:

1. who Titan Partners Corporate Finance is and how we can be contacted;
2. services we authorised to provide under our Australian Financial Services Licence;
3. remuneration that we, our staff and any associates receive in connection with the general financial product advice provided; and
4. our complaints handling process and the avenues available to lodge a complaint.

Titan Partners Corporate Finance

Titan Partners Corporate Finance is the corporate finance arm of Titan Partners, which provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring, property and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert’s reports concerning mergers and acquisitions, takeovers and capital reconstructions.

Titan Partners Corporate Finance holds Australian Financial Services Licence Number 427275.

Financial services we are licensed to provide

The Australian Financial Services Licence we hold authorises us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities (including debentures, shares and bonds), derivatives and interests in managed investment schemes.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

General Financial Product Advice

In our Report, we provide general financial product advice. It was prepared without taking into account your personal objectives, financial circumstances or needs.

You should consider your own personal objectives, financial circumstances or needs in assessing the appropriateness of the general advice we provide and may wish to seek personal advice from the holder of an Australian Financial Services Licence.

Fees, commissions and benefits we may receive

We charge fees to provide reports, including the IER provided herein. These fees are negotiated and agreed with the entity which engages us to provide a report. Our fees are determined on either a fixed amount or charged on an hourly time cost basis. Titan Partners Corporate Finance are expected to receive a fee of approximately \$30,000 for the preparation of this Report. The fee is not affected by whether the Shareholders approve or reject the Proposed Transactions. Except for such fees, Titan Partners Corporate Finance nor any of its directors, officers or associates receive any commissions or further benefits in connection with the report provided.

All of our employees receive a salary. Our employees do not receive any commissions or benefits arising directly from services provided to our clients.

We do not pay commissions or provide any other benefits to any party for referring clients to us in connection with the services that we are licensed to provide.

Complaints

As the holder of an Australian Financial Services Licence, we are required to have a complaints handling system for persons to whom we provide financial product advice. All complaints must be in writing, addressed to Titan Partners Corporate Finance Pty Ltd, PO Box R415, Royal Exchange NSW 1225.

In the event we are unable to satisfactorily resolve your complaint within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Services Limited (“FOS”), an independent external complaints resolution service established to provide advice and assistance to consumer to assist in resolving complaints relating to the financial services industry. You will not be charged for using the FOS service.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

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Appendix 2 – Qualifications, Declarations and Consents**Qualifications and Responsibilities**

Titan Partners Corporate Finance Pty Limited is the corporate finance arm of Titan Partners, which provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring, property and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert's reports concerning mergers and acquisitions, takeovers and capital reconstructions.

Mr Brad Higgs, *B.Com, CA, F.Fin* is responsible for this Report. Mr Higgs has a significant number of years' experience in relevant business advisory and corporate finance matters.

Mr Higgs is acting as a Representative of Titan Partners Corporate Finance pursuant to its Australian Financial Services Licence (No. 427275) held under Part 7 of the *Corporations Act 2001* (Cth) to provide advice on the valuation of securities.

Disclaimers

This Report has been undertaken in accordance with the instructions from the Directors of Candy Club. In performing this assignment we have accepted all information as presented to us as being free of material misstatement. We have relied on information provided, as set out in Section 3.3. We have evaluated this information through analysis, enquiry and review as appropriate. We do not warrant that our evaluation has identified or verified all of the matters that an audit, extensive examination or due diligence investigation may disclose.

The purpose of this Report, as set out in Section 3.1, is to opine on the Proposed Transactions, although there is no requirement under the *Corporations Act 2001*. We understand that the Directors of Candy Club wish to obtain an Independent Expert's Report to assist the Shareholders in their decision to accept or reject the Proposed Transactions with Scalare.

This report has been prepared solely to assist the Shareholders in considering their decisions with respect to the Proposed Transactions. We do not assume any responsibility or liability for any losses suffered by any party as a result of the circulation, publication, reproduction or other use of this report contrary to the provisions of this paragraph.

This Report has been prepared by Titan Partners Corporate Finance with care and diligence and that statements and opinions given by Titan Partners Corporate Finance in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Titan Partners Corporate Finance or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Titan Partners Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

Declarations

Our Report has been prepared in accordance with *Regulatory Guide 111 Content of Expert Reports* issued by ASIC, professional standard *APES 225 Valuation Services*, issued by the Accounting Professional and Ethical Standards Board ("APESB") and any other applicable professional standards and statutory requirements, including the *Corporations Act 2001*.

Titan Partners Corporate Finance nor its Representatives or staff have at the date of this Report nor has ever had any shareholding in or other relationship with Candy Club that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transactions.

Titan Partners Corporate Finance will receive a fee based on time costs for the preparation of this Report. This fee is not contingent on the outcome of the valuation report. Titan Partners Corporate Finance will receive no other benefit for the preparation of this Report.

Candy Club have agreed that to the extent permitted by law to indemnify Titan Partners Corporate Finance employees and officers in respect of any liability suffered or incurred as a result of or arising out of the preparation of this Report;

including any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of Candy Club which is false, misleading or omits material information. This indemnity will not apply in respect of any conduct involving negligence or wilful misconduct or fraud. Candy Club have also agreed to indemnify Titan Partners Corporate Finance and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person except where Titan Partners Corporate Finance or its employees and officers are found liable for or guilty of conduct involving negligence or wilful misconduct or fraud in which case Titan Partners Corporate Finance shall bear such costs.

Consents

Titan Partners Corporate Finance consents to the inclusion of this Report in the form and context in which it is included in the Scheme of Arrangement to be issued to Shareholders with respect to the Proposed Transactions. Other than this Report, none of Titan Partners Corporate Finance or its affiliates has been involved in the preparation of the Scheme of Arrangement.

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Appendix 3 – Glossary of Key Terms

Term	Definition
Financial Periods	
FY2022, FY2023	Scalare’s financial year ended 30 June 2022 and 30 June 2023
CY2021, CY2022, CY2023	Candy Club’s financial year ended 31 December 2021, 31 December 2022 and 31 December 2023
1H2022, Half Year Report	Audited Interim financial information for 6-months ending ended 31 December 2021 for Candy Club
1H2024	Audited Interim financial information for 6-months ending ended 31 December 2024 for Scalare
YTD2024	Unaudited Interim financial information for 9-months ending 31 March 2024 for Scalare
Transaction Terms	
46 May Announcement	Candy Club announcement to ASX on 6 July 2024, with respect to the Proposed Transactions with Candy Club and Scalare.
Candy Club, the “Company”	Candy Club Holdings Limited, ACN 629 598 778
Scalare	Scalare Partners Pty Limited, ACN 638 225 886
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
Offer	Planned capital raising of between \$4 million and \$8 million by issuance of new equity in Candy Club as part of the Proposed Transactions
EBITDA	Earnings before interest and tax, depreciation and amortisation
Escrow Arrangement	The voluntary escrow arrangements described in Section 10.4
Existing Shareholders	Current shareholders of Candy Club, prior to the Proposed Transactions
NPAT	Net Profit After Tax
Proposed Acquisition	Proposal to acquire 100% of Scalare
Proposed Transactions	Comprising the share consolidation, Proposed Acquisition and Offer
the “Report”	This Independent Expert’s Report on the Proposed Transactions
Titan Partners Corporate Finance, “we”	Titan Partners Corporate Finance Pty Limited, AFSL: 427275.
Scalare, the “Target”	Scalare Pty Limited, ACN 123 456 789

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Appendix 4 – Sources of Information

The information set out below was considered, adopted and relied upon by us in forming our opinion and preparing the report herein:

- Audited Financial Statements of Candy Club for the years 31 December 2021 (“CY2021”) and 31 December 2022 (“CY2022”);
- Unaudited Financial Statements of Candy Club for the year ended 31 December 2023 (“CY2023”);
- Audited Financial Statements of Scalare for the years ended 30 June 2021 (“FY2021”), 30 June 2022 (“FY2022”), 30 June 2023 (“FY2023”), and Half Year report ended 31 December 2023 (“1H2024”);
- Monthly Management Reports for Scalare containing FY2024 profit & loss information up to 31 March 2024 (“YTD2024”);
- Scalare Management performance forecasts and projections for 3 months remaining in FY2024, being April 2024 to June 2024;
- ASX announcements by Candy Club for the period 26 April 2023 to 6 May 2024;
- Application for In-Principle Advice submitted to the ASX on the Proposed Transactions;
- Scalare Portfolio Report as at 31 March 2024;
- Management information with respect to the operations of Candy Club;
- Management information with respect to the operations of Scalare;
- ASIC company extract for Scalare;
- ASX Announcements of Candy Club;
- Corporate transaction data and other market data as sourced from S&P Capital IQ Pro;
- Industry Research Reports published by IBISWorld Australia;
- Discussions with directors, management and advisors of Candy Club;
- Discussions with directors and management and advisors of Scalare.

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Appendix 5 – Recent ASX Announcements

Candy Club Holdings Limited

Company Announcements for the period from 25 May 2023 to 4 June 2024

Announcement Date	Title
04/06/2024	Appendix 4G
04/06/2024	Annual Report to Shareholders
06/05/2024	Proposed Acquisition of Scalare Partners
29/04/2024	Quarterly Activities/Appendix 4C Cash Flow Report
27/02/2024	Notification of cessation of securities - CLB
23/02/2024	Preliminary Final Report
20/02/2024	Final Director's Interest Notice
20/02/2024	Final Director's Interest Notice
20/02/2024	Initial Director's Interest Notice
20/02/2024	Initial Director's Interest Notice
20/02/2024	Director Appointment/Resignation
18/01/2024	Amended Appendix 4G
18/01/2024	Quarterly Activities/Appendix 4C Cash Flow Report
18/01/2024	Quarterly Cashflow/Activities Reports
16/01/2024	Notification of cessation of securities - CLB
16/01/2024	Expiry of Unlisted Options
01/12/2023	Half Year Accounts
10/11/2023	Notification of cessation of securities - CLB
06/11/2023	Results of Meeting
31/10/2023	Quarterly Activities/Appendix 4C Cash Flow Report
25/10/2023	Expiry of unlisted options
04/10/2023	Notice of Annual General Meeting/Proxy Form
28/09/2023	Preliminary Final Report
28/09/2023	Appendix 4G
12/09/2023	Notification of cessation of securities - CLB
12/09/2023	Expiry of Unlisted Options
27/06/2023	ASIC Grants Extension of Time to Hold 2023 AGM
27/06/2023	Application for quotation of securities - CLB
26/06/2023	Proposed issue of securities - CLB
26/06/2023	Issue of Shares
08/06/2023	Notification of cessation of securities - CLB
06/06/2023	Completion of Share Consolidation
06/06/2023	Expiry of Unlisted Options
02/06/2023	Final Director's Interest Notice
02/06/2023	Final Director's Interest Notice
02/06/2023	Final Director's Interest Notice
02/06/2023	Initial Director's Interest Notice
02/06/2023	Initial Director's Interest Notice
02/06/2023	Initial Director's Interest Notice
02/06/2023	Board Changes
02/06/2023	Notification of cessation of securities - CLB
02/06/2023	Expiry of Options
25/05/2023	Results of Meeting

Source: ASX

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Appendix 6 – Prior Listed Shell Company Transactions

Set out below are the Independent Expert Reports and the value ascribed to ASX-listed shell companies. A summary of shell’s operations are set out below.

Candy Club Holdings Limited						
Comparable Listed Shell Company Transactions						
Notes	Expert Report Date	Target	Acquirer (Shell Company)	Independent Expert	Low (\$'000s)	High (\$'000s)
A	22/10/2015	Hello Real Estate Limited	MinRex Resources Limited	Leadenhall	500	750
B	13/10/2017	Janison Solutions Pty Limited	HJB Corporate Limited	Leadenhall	500	1,000
C	28/02/2019	AF Legal Pty Limited	Navigator Resources Limited	Leadenhall	500	750

Source: Titan Partners Corporate Finance Analysis, Independent Expert Reports

Note A – MinRex Resources Limited (“**MinRex**”) was a shell company whose trading had not been suspended on the ASX, although its shares were considered by the Independent Expert to have a relatively illiquid market. The Expert valued the shell of MinRex to be \$500,000 to \$750,000. We note that MinRex:

- Had an active trading status on the ASX, despite the noted low volume per the Expert;
- Had a cash balance of \$1.53 million at the time of the Report;
- Had an audited, unadjusted net asset position in the range of \$1.5 million (low) and \$1.8 million (high); and
- Had a total equity value in the range of \$1.7 million (low) and \$2.2 million (high) once all the Expert’s adjustments were applied.

Note B – HJB Corporate Limited (“**HJB**”) was a shell company whose trading had been suspended on the ASX since 8 September 2016. The Expert valued the shell of HJB to be \$500,000 to \$1,000,000. We note that HJB:

- Did not had an active trading status on the ASX and had been suspended at the time of the Expert Report;
- Had no revenue for the prior two financial years at the date of the Expert Report;
- Had a cash balance of \$259,000 at the time of the Report;
- Had an audited, unadjusted net asset position of \$234,000; and
- Had a total equity value in the range of \$489,000 (low) and \$989,000 (high) once all the Expert’s adjustments were applied.

Note C – Navigator Resources Limited (“**Navigator**”) was a shell company whose trading had been suspended on the ASX since 27 March 2017. The Expert valued the shell of Navigator to be \$500,000 to \$750,000. We note that HJB:

- Did not had an active trading status on the ASX and had been suspended at the time of the Expert Report;
- Had no revenue from ordinary activities for several financial years to the date of the Expert Report;
- Had a cash balance of \$699,000 at the time of the Report;
- Had an adjusted net asset position of \$669,000 due to a \$30,000 negative working capital adjustment; and
- Had a total equity value in the range of \$699,000 (low) and \$949,000 (high) once all the Expert’s adjustments were applied.

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Appendix 7 – Comparable Transaction and Trading Multiples – Scalare Services Operations

Set out below are the transaction multiples for identified comparable transactions for Scalare’s services operations. A summary of each of the identified transactions and a summary of the business operations of the target company in each transaction are set out on the subsequent pages.

Scalare Partners Pty Ltd							
Comparable Transaction Multiples – Service Operations							
Notes	Announced Date	Target	Acquirer	Percentage Sought %	Transaction Value (m)	Enterprise Value (m)	Revenue Multiple
Consulting/Advisory							
A	03/06/2020	Madison Financial Group Pty Ltd	Clime Investment Management Limited (ASX:CIW)	100	4	4	0.1 x
B	02/05/2023	Shoreline Consulting Pty Ltd / Shoreline Consolidated Pty Ltd	Alpha Financial Markets Consulting plc (AIM:AFM)	100	13	13	1.7 x
C	11/05/2016	SMEC Holdings Pty Ltd	Surbana Jurong Private Limited	100	420	420	1.1 x
D	10/03/2023	Aither Pty Ltd	Ricardo plc (LSE:RCDO)	90	17	19	3.1 x
E	14/10/2015	Coffey International Limited	Tetra Tech, Inc. (NASDAQGS:TTEK)	100	173	173	0.3 x
F	04/02/2019	Corview Group Pty Ltd.	RPS Group Limited	100	32	32	1.9 x
G	30/09/2016	Environmental Strategies Pty Limited	Arcadis NV (ENXTAM:ARCAD)	100	7	7	0.8 x
H	28/06/2017	LAND data Surveys Pty Ltd	Veris Limited (ASX:VRS)	100	5	5	0.9 x
I	18/02/2023	Peter Lee Associates Pty Ltd.	CRISIL Irevna Australia Pty Ltd	100	6	6	1.9 x
J	15/03/2021	Saunders & Pitt	Acumentis Group Limited (ASX:ACU)	100	1	1	0.3 x
						Average	1.2 x
						Average Excl. Low/High	1.1 x
Consulting/Advisory - Technology Focused							
K	01/06/2020	Enzumo Consulting Pty Ltd	Centrepoint Alliance Limited (ASX:CAF)	100	2	2	0.8 x
L	20/09/2020	DWS Limited	HCL Australia Services Pty Limited	100	189	189	1.1 x
M	23/10/2020	Momenton Pty. Ltd	Tech Mahindra (Singapore) Pte Ltd.	100	14	14	1.3 x
N	18/03/2024	PCG Cyber Pty Ltd	Sovereign Cloud Australia Pty Ltd	100	14	14	2.3 x
O	10/12/2018	Primeq Pty Limited	Accenture plc (NYSE:ACN)	100	31	31	1.1 x
P	03/10/2019	Security Division of PS&C Limited	TNT Cyber Services Pty Ltd	100	5	5	0.3 x

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Q 27/07/2021 WorkForce Delta Pty Ltd. Cyient Australia Pty. Ltd. 100 3 3 1.8 x

Average	1.2 x
Average Excl. Low/High	1.2 x
Average – All	1.2 x
Average Excl. Low/High - All	1.2 x

Source: S&P Capital IQ, Titan Partners Corporate Finance Analysis

Note A – Madison Financial Group Pty Ltd provides strategic consulting, business solutions, corporate governance and compliance coaching, professional development forums and access to wealth creation and protection services and products. The company was incorporated in 1982 and is based in Sydney.

Note B – Shoreline Consulting Pty Ltd is a management consulting company, providing advisory and implementation services to the asset and wealth management industry. The company was founded in 2009 and is based in Sydney.

Note C – SMEC Holdings Pty Ltd provides consultancy services to private organizations, government agencies, and international financial institutions in Australia, New Zealand, Africa, Asia and the Americas. It offers advisory and support services in the planning stage, including master and economic planning, feasibility studies, and surveying. It serves customers in various industries, including transport, water and environment, energy and renewable energy, social development and advisory. The company was founded in 1949 and is based in North Sydney.

Note D – Aither Pty Ltd offers water and natural-resources advisory services. The company offers specialist advisory services to governments in water policy, water markets, infrastructure and natural hazards. The company was incorporated in 2012 and is based in Melbourne.

Note E – Coffey International Limited provides consulting services in the geoservices, international development and project management areas worldwide. It also provides development assistance services, such as fund and grant management, gender and social inclusion, organizational development and training, and project design. The company was founded in 1959 and is headquartered in Chatswood.

Note F – Corview, Group Pty Limited is a boutique infrastructure advisory consultancy firm that provides strategic advice on infrastructure and asset transactions. Its services include project leadership and coordination, strategic assessment and policy reform. The company provides its services for various asset classes, including economic infrastructure, social infrastructure, environmental infrastructure, and commercial contracts and leases. The company was incorporated in 2009 and is based in Gordon Park.

Note G – Environmental Strategies Pty Limited provides specialist consulting services in environmental investigations, land remediation, environmental management, and environmental auditing. The company serves mining, property, investment and construction, petrochemical, and industrial organizations. The company was incorporated in 2003 based in Eveleigh.

Note H – Land Data Surveys Pty Limited offers surveying consulting services to customers across Australia and overseas. The company was founded in 2003 and is based in Canberra, Australia.

Note I – Peter Lee Associates Pty Limited operates as a research and consulting firm aiming to help corporations build and maintain a competitive advantage in services to their wholesale clients. The company also conducts annual research programs across Australia and New Zealand in various areas of banking, markets, and investment management. Peter Lee Associates Pty Ltd. was incorporated in 2003 and is based in Sydney.

Note J – Saunders & Pitt is a provider of property valuation and consultancy services intended to serve homeowners, property syndicates and high net worth individuals across private and public sectors. The company was founded in 1905 and is based in Hobart with an additional office in Newstead, Brisbane.

Note K – Enzumo specialises in financial planning software customisation across Australia and internationally. The company assists dealer groups and financial advisers to integrate financial planning software and create business efficiencies that contribute to client engagement, as well as revenue growth. The company was founded in 2004 and is based in Brisbane.

Note L – DWS Pty Limited provides information technology (IT), and business and management consulting services to corporations and government bodies in Australia and New Zealand. The company offers various solutions, including digital transformation, IT consulting, and business and management consulting. The company serves government and defence, banking and finance, utilities, transport, healthcare, and other sectors. The company was founded in 1991 and is based in Melbourne.

Note M – Momenton Pty. Limited is a digital enterprise technology company, providing consultancy and implementation services in enterprise agility, product enablement, engineering and emerging technology. The company was founded in 2015 and is based in Melbourne.

Note N – PCG Cyber Pty Limited operates as a cyber security consultancy firm that provides Australian Government security advice and operations. The company was incorporated in 2019 and is based in Canberra.

Note O – PrimeQ Pty Limited offers cloud-based software consulting services in Australia and New Zealand. It offers Oracle cloud applications, on premise solutions, and support services. The company was incorporated in 2015 and is based in Adelaide. It also has offices in Melbourne, Sydney, Auckland, and Wellington, Australia, as well as satellite offices in Perth and Brisbane.

Note P – Pure Hacking Pty Limited provides penetration testing and information technology security consulting services. It offers services in the areas of penetration testing, such as applications (Web and mobile), cloud and virtualization, and social networking. The company was incorporated in 2002 and is based in Sydney, Australia.

Note Q – Workforce Delta is a management consultancy specialising in workforce and field service management. The company assists field service organizations in enhancing productivity and customer service through business process and technology design in areas that can help drive productivity. Workforce Delta is based in Caringbah, Australia.

Scalare Pty Limited									
Comparable Trading Multiples – Service Operations									
Notes	Company	Ticker	Market Cap (\$m)	Enterprise Value (\$m)	Revenue Multiple				
					FY2022	FY2023	TTM Dec23		
A	Acumentis Group Limited	ASX:ACU	13.3	18.3	0.3 x	0.3 x	0.3 x		
B	AF Legal Group Limited	ASX:AFL	14.9	17.4	1.4 x	0.9 x	0.8 x		
C	Atturra Limited	ASX:ATA	205.8	163.7	0.8 x	0.9 x	0.8 x		
D	Count Limited	ASX:CUP	55.6	74.9	1.1 x	0.8 x	1.0 x		
E	CPT Global Limited	ASX:CGO	10.1	7.7	0.3 x	0.3 x	0.2 x		
F	DRA Global Limited	ASX:DRA	103.4	46.7	0.0 x	0.1 x	0.0 x		
G	Kelly Partners Group Holdings Limited	ASX:KPG	212.4	291.8	3.4 x	3.4 x	3.1 x		
H	Prime Financial Group Limited	ASX:PFG	37.9	48.6	1.6 x	1.4 x	1.7 x		
I	Pureprofile Ltd	ASX:PPL	29.5	30.4	1.4 x	0.7 x	0.7 x		
J	SOCO Corporation Ltd	ASX:SOC	29.0	24.4	NA	1.2 x	1.1 x		
K	Veris Limited	ASX:VRS	41.5	44.3	0.6 x	0.4 x	0.4 x		
Average					1.1 x	1.0 x	0.9 x		
Average Excl. Low/High					1.0 x	0.8 x	0.8 x		

Source: S&P Capital IQ

Note A – Acumentis Group Limited provides valuation, research, and advisory services in relation to property and businesses in Australia. The company offers residential property, government property, commercial property, and rural and agribusiness property valuation services, as well as property and asset advisory services. It serves financial institutions, governments, individuals, homeowners, lenders, and companies. Acumentis Group Limited was founded in 1905 and is based in Sydney.

Note B – AF Legal Group Limited operates as a family and relationship law firm in Australia. It provides advice to clients related to divorce, separation, property, and children’s matters, as well as ancillary services, such as litigation. AF Legal Group Limited was incorporated in 1994 and is based in Melbourne.

Note C – Atturra Limited, together with its subsidiaries, provides advisory and information technology solutions in Australia, New Zealand, Singapore, and Hong Kong. It offers consulting, business application, data and integration, cloud, change management, management control, and industry engagement and managed services. The company serves defense, federal and state government, financial services, education, manufacturing, local government, and utilities industries. Atturra Limited was founded in 2015 and is headquartered in Sydney.

Note D – Count Limited, together with its subsidiaries, provides accounting, business advisory and financial planning services in Australia. It offers tax, assurance, audit, and corporate advisory services; financial planning; loans commission, and leasing commission services. Count Limited was founded in 2006 and is based in Sydney.

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Note E – CPT Global Limited, together with its subsidiaries, provides information technology (IT) consultancy services for federal and state government, banking and finance, insurance, telecommunications, and retail and manufacturing sectors in Australia and internationally. The company offers transformation and modernisation, program governance and assurance, quality assurance, mainframe and midrange optimization. It also provides transformation services, including strategic advisory, DevOps and release automation. The company was founded in 1993 and is headquartered in Docklands.

Note F – DRA Global Limited operates as a multi-disciplinary engineering, project delivery, and operations management company focused on the mining, mineral, and metal sectors worldwide. It offers project development services, including concept development, preliminary economic assessments, study development, feasibility studies, economic and project evaluation, estimating and planning, project risk assessment, sustainability solutions, and front-end solutions, as well as mineral economics evaluation and advisory services. DRA Global Limited was founded in 1984 and is headquartered in Perth.

Note G - Kelly Partners Group Holdings Limited provides chartered accounting and other professional services to private businesses and high net worth individuals in Australia. It operates through two segments, Accounting and Other Services. The company offers accounting and taxation, corporate secretarial, outsourced CFO, audit, business structuring, bookkeeping, and other accounting related services. It also provides financial broking, wealth management, investment office, and other non-accounting services. The company was founded in 2006 and is based in North Sydney.

Note H - Prime Financial Group Limited provides wealth management, self-managed superannuation fund (SMSF), accounting and business, capital, and corporate advisory services in Australia. The company offers accounting and business advisory services, such as accounting and tax compliance, business growth advisory and strategy, outsourced CFO and accounting, grants and R&D tax incentives, and innovation and commercialization advice; and capital and corporate advisory services comprising merger and acquisition transactions, capital raising, debt equity markets, and corporate development. The company was incorporated in 1965 and is headquartered in Southbank.

Note I - Pureprofile Ltd, a data and insights organization, engages in the provision of online research solutions for agencies, marketers, researchers, publishers, and brands and businesses in Australasia, Europe, and the United States. The company conducts market research; and accesses insights and campaigns through its proprietary self-service platform. The company was founded in 2000 and is headquartered in Surry Hills.

Note J - SOCO Corporation Ltd provides information technology consultancy services in Australia. It offers services in the areas of Microsoft licensing, information management, digital strategy and architecture, and cloud advisory service. The company also provides various technology solutions, including Microsoft 365, Dynamics 365, business central, and Power Apps. It primarily serves federal and state government, healthcare, construction, mining and resources, energy, and education sectors. SOCO Corporation Ltd was founded in 2013 and is headquartered in Brisbane.

Note K - Veris Limited provides surveying and spatial data services primarily in Australia. The company provides an end-to-end spatial data solution, which includes data collection, analysis, interpretation, data hosting and access, modelling, and sharing and insights for clients. It offers engineering survey; engineering and property services; and town planning and urban design services. It serves infrastructure, property, mining, resources, energy, utilities, government, and defence sectors. Veris Limited was incorporated in 2006 and is headquartered in East Melbourne.

Appendix 8 – Comparable Transaction and Trading Multiples – Scalare TRW

Set out below are the transaction multiples for identified comparable transactions for Scalare’s TRW acquisition. A summary of each of the identified transactions and a summary of the business operations of the target company in each transaction are set out on the subsequent pages.

Scalare Partners Pty Ltd Comparable Transaction Multiples - TRW							
Notes	Announced Date	Target	Acquirer	Percentage Sought %	Transaction Value (m)	Enterprise Value (m)	Revenue Multiple
A	16/04/2018	No More Practice Education Pty. Ltd.	OneVue Holdings Limited	100	5	5	2.8 x
B	27/10/2020	PKY Media Pty Ltd	ReadCloud Limited (ASX:RCL)	100	1	1	1.7 x
C	01/06/2021	Ripponlea Institute Pty Ltd	ReadCloud Limited (ASX:RCL)	100	1	1	1.8 x
D	20/11/2014	Transformations - Pathways To Competence & Developing Excellence Pty. Ltd.	Academies Australasia Group Limited (ASX:AKG)	100	1	1	0.3 x
E	18/12/2014	Mathisi Pty Ltd	iCollege Limited	100	1	1	0.6 x
F	03/03/2014	Online Courses Australia Group Pty Limited	Intueri Education Group Limited	50	4	8	1.9 x
						Average	1.5 x
						Average Excl. Outliers	1.5 x

Source: S&P Capital IQ

Note A – Nmp Education is an online learning business that provides targeted learning modules with video and written content for the wealth industry and direct investors. The company focuses on high production values and learning from industry experts.

Note B – PKY Media Pty Ltd, trading as College of Sound and Music Production, is an educational institution that provides contemporary music technology teaching resources and support services to secondary school music departments and music teachers across Australia. The company was incorporated in 2009 and is based in Brighton East, Australia.

Note C – Ripponlea Institute is a Registered Training Organisation that specializes in working with secondary teachers to deliver VETDSS programs. They offer the TAE40116 Certificate IV in Training and Assessment, tailored to the needs of secondary school teachers. The company provides personalized learning, support for teachers, assessment

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materials, learner resources, and professional learning opportunities. They aim to engage and motivate students, and their focus is on delivering accessible and high-quality training within the secondary school context.

Note D – Pathways To Competence & Developing Excellence Pty. Ltd (Skills Training Australia) is a Registered Training Organisation that offers diploma courses in health, nursing, and aging support in Melbourne. They aim to provide a supportive atmosphere for their students and create positive pathways through their training solutions. They work with prominent providers to deliver exceptional programs and student placement opportunities.

Note E – Mathisi Pty Ltd. provides technical education and training services in Australia. The company operates as a pre-qualified supplier for the Department of Education, Training, and Employment; and specializes in government funded traineeships. It offers tailor-made courses that serve employers and their needs. The company also develops a specialized training program that is flexible and suits the business of a client. Mathisi Pty Ltd. was incorporated in 2009 and is headquartered in Redbank Plains, Australia.

Note F – Online Courses Australia Group Pty Limited is an educational institution that offers online corporate training courses for government and corporate sectors. The courses cover photography, farming, psychology, and animal care. Online Courses Australia Group Pty Limited was founded in 2003 and is based in Fortitude Valley, Australia.

Scalare Pty Limited Comparable Trading Multiples								
Notes	Company	Ticker	Market Cap (\$m)	Enterprise Value (\$m)	Revenue Multiple			
					FY2022	FY2023	TTM Dec 2023	
A	Cluey Ltd	ASX:CLU	16.8	2.5	1.4 x	0.2 x	0.1 x	
B	Kip McGrath Education Centres Limited	ASX:KME	25.6	20.1	2.0 x	0.9 x	0.7 x	
C	NextEd Group Limited	ASX:NXD	161.7	175.3	3.1 x	3.2 x	1.5 x	
D	Academies Australasia Group Limited	ASX:AKG	35.8	70.0	1.6 x	1.9 x	1.5 x	
E	EDU Holdings Limited	ASX:EDU	23.1	34.6	1.6 x	1.9 x	1.6 x	
F	ReadyTech Holdings Limited	ASX:RDY	410.1	441.5	4.6 x	4.0 x	4.0 x	
		Average			2.4 x	2.0 x	1.6 x	
		Average Excl. Low/High			2.1 x	1.9 x	1.3 x	

Source: S&P Capital IQ

Note A – Cluey Ltd, an educational technology company, provides online tutoring, learning support, and co/extracurricular learning services in Australia, New Zealand, and the United Kingdom. It offers online tutoring services for students in years 2-12 across Maths, English, Chemistry, Biology, and Physics, as well as primary, secondary, and senior learning programs. The company was incorporated in 2017 and is based in Sydney.

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Note B – Kip McGrath Education Centres Limited provides tutoring services in Australasia, Europe, the United States, the United Kingdom, and internationally. The company provides tutorial assistance in English and Maths to primary and secondary students; and online tutoring services, operating through tutoring centres. Kip McGrath Education Centres Limited was founded in 1976 and is headquartered in Newcastle.

Note C – NextEd Group Limited provides educational services in Australia, Europe, and South America. It operates through four segments: Technology & Design, International Vocational, Go Study, and Domestic Vocational. The Technology & Design segment offers face-to-face and online courses in information technology, digital design, interactive multimedia, and interior design. The International Vocational segment provides English language intensive courses, and vocational education and training courses for international students. The Domestic Vocational segment provides vocational courses that covers commercial cookery, hospitality, business, community services, healthcare, construction, and information technology for domestic students. NextEd Group Limited was incorporated in 2003 and is based in Ultimo.

Note D – Academies Australasia Group Limited provides training and education services in Australia and Singapore. The company offers English language, senior high school, Singapore government school preparatory certificate, diploma, advanced diploma, and bachelor's degree courses. It operates various licensed colleges and offers various qualifications. Academies Australasia Group Limited was incorporated in 1908 and is based in Sydney.

Note E – EDU Holdings Limited, through its subsidiaries, provides tertiary education services in Australia. The company offers vocational education and training services, including accredited certificate and diploma level courses in health and community services to international students. It also provides higher education services in the areas of creative therapies, counselling and psychotherapy, and early childhood education for domestic and international students. EDU Holdings Limited was incorporated in 2004 and is based in Sydney.

Note F – ReadyTech Holdings Limited provides technology-based solutions in Australia. It operates in three segments: Education and Work Pathways; Workforce Solutions; and Government and Justice. The Education and Work Pathways segment offers cloud-based student and learning management systems for education and training providers to manage the student lifecycle from student enrolment to course completion. The Workforce Solutions segment offers payroll software, outsourced payroll services, human resource management, and recruitment software solutions to employers to assist with payroll and management of their employees. The Government and Justice segment offers government and justice case management software as a service solutions to local and state governments, and justice departments. ReadyTech Holdings Limited was founded in 1998 and is headquartered in Sydney.

Appendix 9 – Investment Portfolio

Set out below is a listing of the investments made by Scalare that are reflected in the Pro Forma Balance Sheet in Section 6.5.

Scalare Partners Pty Limited Investment Portfolio		
Investment	Description	Investment Date
MyPass	MyPass is a mobile-first technology company empowering front-line workers to manage training and competency information and prevent compliance gaps. Centred around a digital Skills Passport, MyPass simplifies the compliance management process for Work Sites, EPCs, Service Providers and Employers.	March 2020
ethiXbase	ethiXbase is a third-party risk management platform which helps organisations to elevate, build, maintain and monitor sustainability in their supply chain. With a focus on anti-corruption, human rights, labour and environment, supported by market-leading technology, ethiXbase enhanced due diligence provides organisations with a deep and broad view of their supply chain risks across various areas.	April 2020
FrankieOne	FrankieOne is a global compliance, identity verification and fraud detection engine. FrankieOne help banks, fintechs and other companies onboard and protect their customers.	April 2020
Vital4	Vital4 automates critical financial and medical compliance information. As a cloud software platform, Vital4 provides global screening solutions to help organisations maintain regulatory compliance and mitigate third-party risk.	May 2020
WithU	WithU is a fitness app delivering on-demand personal training by world-class coaches, including Olympic athletes. The app is supported by an interactive avatar and a tailored music composition.	September 2020
FreeGuides	FreeGuides is a peer-to-peer platform enabling locals to create, run and manage their own free walking tours by easily creating journeys and experiences through the phone app.	November 2020
FlightCare Global	Flightcare Global is a technology-based aviation medical assistance platform to manage flight medical events around the globe. The Company provides access to a range of innovative products and services to help manage medical events pre-flight, in flight and on the ground.	January 2021
AsiaVerify	AsiaVerify is an award-winning regulatory technology platform designed to increase simplicity, trust and confidence when doing business in Asia. Its instant verification service streamlines workflows for Know Your Business (KYB), Know Your Customer (KYC), Anti-Money Laundering (AML), Cross Border UBO, Ongoing Monitoring and other compliance challenges.	February 2021

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Scalare Partners Pty Limited
Investment Portfolio

Investment	Description	Investment Date
Catalyser	Catalyser is a giving platform for companies to manage their corporate social responsibility programs, volunteering and donations. The platform allows entities to bring all its separate giving activities together in the one place, making it easy to engage employees, manage different giving programs and reduce administration time and costs.	June 2021
Cape	Cape's expense management software actively streamlines and automates company finances. It is an all-in-one platform to "spend smarter, cut wasteful purchasing, crunch numbers less, and boost business more".	November 2021
Stadio	Stadio is a next generation Web3 enabled ecosystem for brands and creators. Built using blockchain technology, Stadio suite of products empowers creators to produce, manage and monetise their own digital assets, including NFT's (non-fungible tokens), and engage with their audience directly.	November 2021
Helio	Helio is a revolutionary media space that simplifies advertising. The next-generation advertising marketplace helps SMEs, brands and agencies access hard-to-find advertising placements across all media channels.	January 2022
TogetherAI	TogetherAI is a mental health and wellness app for families providing a next-generation solution to the growing problem of mental health issues for children in today's society.	February 2022
Slipstream Advantage	Slipstream Advantage is a Transport Management Platform tailored to the specific needs of the Transport and Logistics industry. The platform contains a suite of modules that utilise advanced automation algorithms, machine learning and artificial intelligence techniques to allow companies to better manage, automate and optimise their operations.	March 2022
Curious	The Curious platform is a streamlined destination for enterprise and corporate customers to engage, train and develop both their employee and B2B audiences. It combines a resource centre, virtual event platform, learning platform and social hub into one location, delivering savings on a single license and driving value through user engagement and data.	May 2022
Loyalty Republic	Loyalty Republic is a bank and card agnostic loyalty program designed for both individual consumers and businesses.	May 2022
MasterRemit	Leveraging digital technology, MasterRemit makes it easy for people to send money safely, securely, quickly at low cost to their loved ones, including those who don't have access to a bank account or financial institution.	May 2022
PictureWealth	PictureWealth has developed technology to allow customers to have full visibility over their wealth and that offers financial advice to support financial decisions.	October 2022

Scalare Partners Pty Limited
Investment Portfolio

Investment	Description	Investment Date
Treety	Treety is an impact tracking and reporting platform that enables impact tracking and regulation friendly reporting for conscientious investors and investees.	October 2022
BetterX	Technology company focused on infrastructure to support Web3.0 and Digital Assets.	November 2022
Jeddele	Jeddele offers practical, curriculum-specific resources for students and teachers in Australia, as well as AI-powered feedback and marking.	December 2022
Zondii	Zondii has patented technology to deliver real time analysis of wool and fibre authenticity and quality through smart phones and hand held devices. The technology aims to solve problems around fraud and misrepresentation as well as allowing farmers and growers to make better decisions to maximise value.	December 2022
Roi-AI	Roi-AI is an automated technology solution built specifically to enable recruitment agencies to generate revenue from their own databases.	March 2023
Cloutly	Cloutly is a reputation and review management platform that helps global customers drive, monitor, respond to and showcase customer reviews for their businesses.	June 2023
Inhouse Ventures	Marketplace that accelerates connections between founders, industry leaders, and venture capitalists to simplify the startup ecosystem for all.	November 2023
Circadian Health	Circadian Health has developed an innovative product designed to improve sleep, mental health, and health longevity. Their wearable tech is a unique device that employs advanced light-sensing technology and analysis methods to guide users toward healthy light patterns.	February 2024
Brauz	Retail technology platform provider that enables solutions for video commerce, appointments, reserve in-store and 'click & collect' operations. Brauz provides retailers easy to plug in and direct to store technology that simply and efficiently connects the online customer in-store.	May 2024

Source: Scalare Management

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Annexure E - Equity incentive Plan

Term	Description
Eligibility	Offers may be made at the Board's discretion to employees or any other person that the Board determines to be eligible to receive a grant under the Plan Rules.
Types of securities	<p>The Company may grant Rights, Options and / or Restricted Shares as incentives, subject to the terms of individual offers.</p> <p>Options are an entitlement to receive Shares upon satisfaction of applicable conditions and payment of an applicable exercise price.</p> <p>Rights are an entitlement to receive Shares subject to satisfaction of applicable conditions.</p> <p>Restricted Shares are Shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.</p> <p>Unless otherwise specified in an offer document, the Board has the discretion to settle Options or Rights with a cash equivalent payment.</p>
Awards under the EIP	Under the Plan Rules, the Board may make offers at its discretion, subject to any requirements for shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a Right, Option or Restricted Share allocated under the Plan Rules.
Vesting	<p>Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.</p> <p>Options must be exercised by the participants and the participant is required to pay any exercise price applicable, unless the Board permits cashless exercise. Rights may also have an exercise mechanism; however, no exercise price is payable.</p>
Dividend and voting rights	Options and Rights do not carry any dividend or voting rights. Restricted Shares do have dividend and voting rights.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if a participant ceases employment.
Preventing inappropriate benefits	The Plan Rules provide the Board with broad malice and clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	Unvested incentives will automatically vest if there is a change of control. Individual offer documents may provide for a different treatment.
Rights issues and other corporate actions	The Plan Rules include specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participants in respect of their incentives as a result of such corporate actions.

		Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their Options or Rights. In the event of a bonus issue, options or rights will be adjusted in the manner allowed or required by the ASX Listing Rules.
Restrictions dealing	on	Prior to vesting, the plan rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Trading Policy.
Other terms		The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

The EIP described above will be used to deliver Long Term Incentive options to the board and management, post completion of the Acquisition and the Offer. The terms and conditions of offers will be determined by the Board at that time.

Your proxy voting instruction must be received by **02.00pm (AEST) on Saturday, 21 September 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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