All Registry Communications to:
Computershare Investor Services Pty Limited
452 Johnston Street, Abbotsford VIC 3067
1300 850 505 | www.computershare.com

Wellness and Beauty Solutions Limited
ACN 169 177 833

Dear Shareholder

Wellness and Beauty Solutions Limited: General Meeting

A General Meeting of Wellness and Beauty Solutions Limited ('WNB' or 'the Company') is to be held on Friday, 19 August 2022 at 11:00 am (AEST), as a virtual meeting.

How to access the Notice of Meeting?

The Notice of Meeting ('NOM') may be downloaded from hirobrands.com.au or the ASX market announcement platform.

How to participate in the General Meeting?

Your participation in the General Meeting is important to us and we invite all shareholders and proxy holders to participate in the General Meeting virtually, via the Zoom platform at https://bit.ly/FY22-AGM. To vote online during the meeting you will need to visit https://bit.ly/FY22-AGM-vote. You will need to provide your details (including Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) to be verified as a security holder or proxy holder. For instructions on how to vote, please refer to the online user guide which is located at www.computershare.com.au/onlinevotingguide. We recommend you logging in to the online platform at least 30 minutes prior to the scheduled start time of the General Meeting.

How to appoint a proxy?

If you are unable to attend the General Meeting, you are encouraged to appoint a proxy in advance of the meeting to vote on your behalf.

You may appoint a proxy:

Online	https://www.investorvote.com.au
By hand delivery	Computershare Investor Services Pty Limited 452 Johnston Street, Abbotsford VIC 3067
By post	GPO Box 242 Melbourne VIC 3001
By facsimile	1800 783 447

In either case, the instruction to appoint a proxy must be received by 11:00 am (AEST) on Wednesday 17 August 2022 in order to be valid.

If you are unable to access the Notice of Meeting, unable to lodge a proxy online or have any queries regarding your holding, please contact our share registry Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:00am and 7:00 pm (AEST) Monday to Friday.

Yours faithfully,

Garry Hounsell
Chairman

WELLNESS AND BEAUTY SOLUTIONS LIMITED
ACN 169 177 833
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the members of Wellness and Beauty Solutions Limited ACN 169 177 833 (**Company**) will be held:

Date:	Friday, 19 August 2022
Time:	11.00am (AEST)
Venue:	Online at https://bit.ly/FY22-AGM
Voting:	https://bit.ly/FY22-AGM-vote

The General Meeting will be held electronically. Shareholders are requested to participate in the General Meeting virtually via the Company's online platform, or by the appointment of a proxy. Please see page 11 for details outlining the process which Shareholders should follow to participate in the General Meeting electronically.

In accordance with amendments to the *Corporations Act 2001 (Cth)*, the Company will not be mailing physical copies of this Notice of Meeting to Shareholders, and instead this Notice of Meeting will be sent electronically to Shareholders where the Company has a record of their email address, or will otherwise be made available to Shareholders where the Company does not have a record of their email address through a URL set out in a postcard sent to them by mail. Please see page 11 for further details regarding the despatch of this Notice of Meeting to Shareholders.

Certain terms and abbreviations used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary to the Explanatory Memorandum.

Interdependency of Resolutions

All of the Resolutions in this Notice of Meeting are dependent on one another, meaning that in order for the matters the subject of each Resolution to be passed and implemented, all of the remaining Resolutions must also be passed by Shareholders.

The Directors have resolved that unless all of the Resolutions are passed the Proposed Transactions will not proceed.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That pursuant to section 254H of the Corporations Act and for all other purposes, with effect from the Effective Date as described in the Explanatory Memorandum, the issued

capital of the Company be consolidated on the basis that every 65 Shares be converted into 1 Share.'

2. RESOLUTION 2 – APPROVAL OF CHANGE IN SCALE OF ACTIVITIES

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rules 11.1.2 and 11.1.3 and for all other purposes, the Company be authorised to make a significant change to the scale of its activities by undertaking the transactions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings and Aware;
- any shareholders of Heat Holdings or Aware; and
- any other person who will obtain a material benefit as a result of the transactions set out in the Explanatory Memorandum (except a benefit solely by reason of being a holder of ordinary securities in the Company),

and any associates of those persons listed above.

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

- 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
- 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
- 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 THE ACQUISITION OF HEAT GROUP AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (ASX LISTING RULES)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rules 10.1 and 10.11 and for all other purposes, approval is given for:

(a) the Company to acquire 20,000 shares in the capital of Heat Group; and

(b) the Company to issue 25,044,687 Shares on a post Consolidation basis to Heat Holdings as the vendor of Heat Group,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of ASX Listing Rules 10.1 and 10.11. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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 THE ACQUISITION OF HEAT GROUP AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (CHAPTER 2E)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of section 208 of the Corporations Act and for all other purposes, approval is given for:

(a) the Company to acquire 20,000 shares in the capital of Heat Group; and

(b) the Company to issue 25,044,687 Shares on a post Consolidation basis to Heat Holdings as the vendor of Heat Group,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes section 208 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company and provides commentary on the financial benefits to be given to related parties of the Company for the purposes of section 219 of the Corporations Act.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIR Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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

- 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

- 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.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- Heat Holdings;

- any shareholders of Heat Holdings;

- BIA Fund;

- any unitholders in the BIA Fund;

- Cattermole and Cattermole Associates; or

- an associate of those persons.

However, the above prohibition does not prevent the casting of a vote if:

- it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and

- it is not cast on behalf of a party that is excluded above.

5. RESOLUTION 5 – APPROVAL OF THE ACQUISITION OF HEAT GROUP AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (SECTION 611 (ITEM 7))

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) the Company to acquire 20,000 shares in the capital of Heat Group;

(b) the Company to issue 25,044,687 Shares on a post Consolidation basis to Heat Holdings as the vendor of Heat Group; and

(c) the acquisition of a relevant interest in issued voting shares of the Company by Heat Holdings (and in turn, by Cattermole and Cattermole Associates and the BIA Fund) of up to a maximum of 95.42% (assuming Minimum Subscription under the Public Offer) otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Shares,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates ; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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.

6. RESOLUTION 6 – APPROVAL OF THE ACQUISITION OF AWARE AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (ASX LISTING RULES)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rules 10.1 and 10.11 and for all other purposes, approval is given for:

(a) the Company to acquire 144,625,823 shares in the capital of Aware (by exercise of the Aware Options);

(b) the Company to issue 208,540 Shares on a post Consolidation basis to Heat Holdings as the vendor of Aware,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of ASX Listing Rules 10.1 and 10.11. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders in the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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

- 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

- 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.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- Heat Holdings;

- any shareholders of Heat Holdings;

- BIA Fund;

- any unitholders in the BIA Fund;

- Cattermole and Cattermole Associates; or

- an associate of those persons.

However, the above prohibition does not prevent the casting of a vote if:

- it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and

- it is not cast on behalf of a party that is excluded above.

7. RESOLUTION 7 – APPROVAL OF THE ACQUISITION OF AWARE AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (CHAPTER 2E)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of section 208 of the Corporations Act and for all other purposes, approval is given for:

(a) the Company to acquire 144,625,823 shares in the capital of Aware (by exercise of the Aware Options);

(b) the Company to issue 208,540 Shares on a post Consolidation basis to Heat Holdings as the vendor of Aware,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes section 208 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company and provides commentary on the financial benefits to be given to related parties of the Company for the purposes of section 219 of the Corporations Act.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders in the BIA Fund;
- Cattermole and Cattermole Associates; or
- an associate of those persons.

However, the above prohibition does not prevent the casting of a vote if:

- it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- it is not cast on behalf of a party that is excluded above.

8. RESOLUTION 8 – APPROVAL OF THE ACQUISITION OF AWARE AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS (SECTION 611 (ITEM 7))

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) the Company to acquire 144,625,823 shares in the capital of Aware (by exercise of the Aware Options);

(b) the Company to issue 208,540 Shares on a post Consolidation basis to Heat Holdings as the vendor of Aware; and

(c) the acquisition of a relevant interest in issued voting shares of the Company by Heat Holdings (and in turn, by Cattermole and Cattermole Associates and the BIA Fund) of up to a maximum of 96.21% (assuming Minimum Subscription under the Public Offer) otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Shares,

on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes section 611 (item 7) of the Corporations Act. The Independent Expert's

Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF AWARE VENDOR CONVERTIBLE NOTES (AWARE VENDORS)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue and allotment of up to 214,480 Shares (or such lesser number as the Board approves) on a post Consolidation basis to the Aware Vendors upon conversion of their

respective Aware Vendor Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates (or controlled entities) of those persons.

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

- 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
- 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
- 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.

10. RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF RPC CONVERTIBLE NOTES (AWARE RELATED PARTY CREDITORS)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue and allotment of up to 4,075,118 *Shares (or such lesser number as the Board approves) on a post Consolidation basis to the Aware Related Party Creditors upon conversion of their respective RPC Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates (or controlled entities) of those persons.

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

- 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

- 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

- 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.

11. RESOLUTION 11 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF ELEVON CONVERTIBLE NOTES (ELEVON)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue and allotment of up to 953,846 *Shares (or such lesser number as the Board approves) on a post Consolidation basis to Elevon upon conversion of its Elevon Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Elevon;

- any shareholders of Elevon; and

- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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

- 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

- 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.

12. RESOLUTION 12 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF SEED CONVERTIBLE NOTES (NON-RELATED PARTIES)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 10,040,504 *Shares (or such lesser or greater number as the Board approves) on a post Consolidation basis to non-related parties and related parties of the Company upon conversion of their respective Seed Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates (or controlled entities) of those persons.

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

- 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

- 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

- 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.

13. RESOLUTION 13 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF SEED CONVERTIBLE NOTES (RELATED PARTIES – CHAPTER 2E)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of section 208 of the Corporations Act in relation to Cattermole and Cattermole Associates the BIA Fund, and for all other purposes, approval is given for the issue of up to 10,040,504 *Shares (or such lesser or greater number as the Board approves) on a post Consolidation basis to related parties of the Company upon conversion of their respective Seed Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- Cattermole and Cattermole Associates;
- BIA Fund;
- any unitholders in the BIA Fund; or
- an associate of those persons.

However, the above prohibition does not prevent the casting of a vote if:

- it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- it is not cast on behalf of a party that is excluded above.

14. RESOLUTION 14 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF SEED CONVERTIBLE NOTES (RELATED PARTIES – SECTION 611 (ITEM 7))

'That for the purpose of section 611 (item 7) of the Corporations Act in relation to Cattermole and Cattermole Associates and the BIA Fund, and for all other purposes, approval is given for the issue of up to 10,040,504 *Shares (or such lesser or greater number as the Board approves) on a post Consolidation basis to related parties of the Company upon conversion of their respective Seed Convertible Notes, which may result in the acquisition of a relevant interest in issued voting shares of the Company by Cattermole and Cattermole Associates and the BIA Fund of up to a maximum of 51.5% and 56.1% respectively (assuming Minimum Subscription under the Public Offer) otherwise prohibited by section 606(1) of the Corporations Act, on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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

- 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

- 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.

15. RESOLUTION 15 – APPROVAL OF ISSUE OF SHARES ON CONVERSION OF DOCA CONVERTIBLE NOTES (DOCA CREDITORS)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 107,193 Shares (or such lesser number as the Board approves) on a post Consolidation basis the DOCA Creditors upon conversion of their respective DOCA Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates (or controlled entities) of those persons.

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

- 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

- 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

- 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.

16. RESOLUTION 16 – APPROVAL OF THE ASSIGNMENT OF RIGHTS UNDER THE ACTIZYME AGREEMENT BY HEAT HOLDINGS TO A CHILD ENTITY OF THE COMPANY

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rules 10.1 and section 208 of the Corporations Act and for all other purposes, approval is given for AEP (which will become a controlled subsidiary of the Company following the Aware Acquisition) to acquire the rights and obligations of Heat Holdings under the Actizyme Agreement pursuant to an assignment by Heat Holdings, in connection with the acquisition of Aware, on the terms and conditions set out in the Explanatory Memorandum.'

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of ASX Listing Rule 10.1 and section 208 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the acquisition the subject of this Resolution to the non-associated Shareholders of the Company and provides an assessment of the financial benefits to be given to related parties of the Company and the potential costs and detriments to the Company of giving the benefits for the purposes of section 219 of the Corporations Act.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings;
- BIA Fund;
- any unitholders of the BIA Fund;
- Cattermole and Cattermole Associates; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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

- 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.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- Heat Holdings;
- any shareholders of Heat Holdings; or
- an associate of those persons.

However, the above prohibition does not prevent the casting of a vote if:

- it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- it is not cast on behalf of a party that is excluded above.

17. RESOLUTION 17 – APPROVAL OF ISSUE OF SHARES UNDER THE PUBLIC OFFER

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*'That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 13,368,984 Shares (based on Minimum Subscription) or 18,716,578 Shares (based on Maximum Subscription) (or such greater or lesser number as the Board approves) on a post Consolidation basis at a price of $*1.87 *per Share (or such other price as the Board approves) to investors under the Public Offer, on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates of those persons.

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

- 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

- 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

- 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.

18. RESOLUTION 18 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

To consider and, if thought fit, to pass the following resolution:

"That, for the purposes of ASX Listing Rule 7.2 Exception 13, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Executive Share Option Plan, and issue securities, grant loans and take security over shares under the plans from time to time, upon the terms and conditions specified in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Executive Share Option Plan, and any associates of that person.

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

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

- the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or

- 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.

19. RESOLUTION 19 – ISSUE OF SHARES TO MR DAVID BOTTA

To consider and, if though fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 12,833 Shares at $1.56 per Share to Mr David Botta, as part of his remuneration package, on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Mr David Botta; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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
- 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.

Voting Prohibition Statement:

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
    - a member of the Company's Key Management Personnel; or
    - a closely related party of a member of the Company's Key Management Personnel; and

- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair of the meeting; and

- the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

20. RESOLUTION 20 – ISSUE OF SHARES TO MR STEVEN CHAUR

To consider and, if though fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 160,416 Shares at $1.56 per Share to Mr Steven Chaur, as part of his remuneration package, on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Mr Steven Chaur; and

- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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

- 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

- 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.

Voting Prohibition Statement:

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
    - a member of the Company's Key Management Personnel; or
    - a closely related party of a member of the Company's Key Management Personnel; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair of the meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

21. RESOLUTION 21 – ISSUE OF SHARES TO MR CHRIS ZONDANOS

To consider and, if though fit, to pass with or without amendment, the following resolution as an ordinary resolution:

'That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 83,416 Shares at $1.56 per Share to Mr Chris Zondanos, as part of his remuneration package, on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Mr Chris Zondanos; and
- any other person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed,

and any associates of those persons listed above.

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

- 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
- 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

- 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.

Voting Prohibition Statement:

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
    - a member of the Company's Key Management Personnel; or
    - a closely related party of a member of the Company's Key Management Personnel; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair of the meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

22. RESOLUTION 22 – CHANGE OF NAME OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, in accordance with section 157(1)(a) of the Corporations Act, the name of the Company be changed to 'Hiro Brands Limited'.

23. RESOLUTION 23 – AMENDMENT OF THE COMPANY'S CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That in accordance with section 136 of the Corporations Act, the Constitution be amended in the manner described in the Explanatory Memorandum."

EXPLANATORY MEMORANDUM

An Explanatory Memorandum in respect of the Resolutions is **enclosed** with this Notice of Meeting. Expressions defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting.

By Order of the Board

Garry Hounsell

Garry Hounsell

VIRTUAL GENERAL MEETING

In accordance with the amendments to the *Corporations Act 2001* (Cth), the Company will not be mailing physical copies of this Notice of Meeting to Shareholders. This Notice of Meeting will be despatched to Shareholders in the following manner:

- if the Share Registry has a record of a Shareholder's email address, the Company will send an email to that Shareholder with this Notice of Meeting included as an attachment to that email; or

- if the Share Registry does not have a record of a Shareholder's email address, the Company will mail a physical postcard to that Shareholder's registered address, containing a URL website address by which that Shareholder can access and download a copy of this Notice of Meeting electronically.

Shareholders are requested to participate in the General Meeting virtually via our virtual General Meeting platform at https://bit.ly/FY22-AGM. Pre-registration is required after which log-in details will be sent to the email address provided during registration.

At the same time (on another device) Shareholders should login to the Voting Platform to vote at the Meeting at https://bit.ly/FY22-AGM-vote.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the General Meeting using the instructions below.

VOTING ENTITLEMENTS

In accordance with section 1074E(2)(g) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001 (Cth), persons holding shares at 7.00 pm (AEST) on 17 August 2022 will be treated as Shareholders. This means that if you are not the registered holder of a relevant Share at that time you will not be entitled to attend and vote in respect of that Share at the meeting.

GENERAL MEETING CONSIDERATIONS AND SHAREHOLDER QUESTIONS

A discussion will be held on all items to be considered at the General Meeting.

All Shareholders will have a reasonable opportunity to ask questions during the General Meeting via the virtual General Meeting platform.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the General Meeting, and general questions about the performance, business or management of the Company;

- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and

- Shareholders should not ask questions at the General Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the General Meeting are invited to do so. A Shareholder question form is available on the Company's website.

The Company will attempt to address the more frequently asked questions in the General Meeting. Written questions must be received by the Company or the Share Registry, Computershare by 11.00am on 19 August 2022 and can be submitted online, by mail, by fax or in person.

ALL RESOLUTIONS BY POLL

The Chairman intends to call a poll on each of the Resolutions proposed at the General Meeting. Each Resolution considered at the General Meeting will therefore be conducted by poll, rather than a show of hands. The Chairman considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the meeting.

HOW TO VOTE

Using the online platform

We recommend logging in to the online voting platform at https://bit.ly/FY22-AGM-vote 15 minutes prior to the scheduled start time for the General Meeting.

Online voting will be open between the commencement of the General Meeting at 11.00am (AEST)) on 19 August 2022 and the time at which the Chairman announces voting closure.

More information about online participation in the General Meeting including how to vote and ask a question is available in the online platform guide at https://bit.ly/AGM-Guide.

Appointing a proxy

A member can appoint a proxy to attend the Meeting and vote on their behalf, using the enclosed Proxy Form. A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded. A proxy need not be a member of the Company.

If you require an additional Proxy Form, please contact Computershare at +61 (0)3 9415 4000.

The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Computershare, no later than 11.00am

(AEST) at 17 August 2022 (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.

Instructions for completing the Proxy Form are outlined on the form, which may be returned by:

- posting it in the reply-paid envelope provided;
- posting it: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne VIC 3001 Australia;
- faxing it to Computershare on 1800 783 447 within Australia or +61 3 9473 2555 outside Australia
- lodging it online at www.investorvote.com.au in accordance with the instructions provided on the website. You will need your HIN or SRN and postcode/country code to lodge your Proxy Form online.

Proxy Forms from corporate shareholders must be executed in accordance with their constitution or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chairman of the meeting to which it relates, or to another person as the Board determines.

If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

BODY CORPORATE REPRESENTATIVES

- A corporation, by resolution of its directors, may authorise a person to act as its representative to vote at the meeting.
- A representative appointed by a corporation may be entitled to execute the same powers on behalf of the corporation as the corporation could exercise if it were an individual shareholder of the Company.
- To evidence the authorisation, either a certificate of body corporate representative executed by the corporation or under the hand of its attorney or an equivalent document evidencing the appointment will be required.
- The certificate or equivalent document must be produced prior to the meeting.

FORWARD LOOKING STATEMENTS

This Notice of Meeting, including the Explanatory Memorandum, may contain certain forward looking statements. Forward looking statements are based on the Company's current expectations about future events. Any forward looking statements are subject to known and unknown risks, uncertainties and assumptions, some of which may be out of the control of the Company and the Directors, which may cause actual results, performance or achievements to differ from future results, performance or achievements expressed or implied by the use of forward looking statements.

Forward looking statements can be identified by the use of words including, but not limited to, 'anticipates', 'intends', 'will', 'should', 'expects', 'plans' or other similar words.

WELLNESS AND BEAUTY SOLUTIONS LIMITED
ACN 169 177 833
EXPLANATORY MEMORANDUM

1. OVERVIEW OF PROPOSED TRANSACTIONS

1.1 Background

This Explanatory Memorandum is intended to provide Shareholders with information that the Board considers material to Shareholders in deciding whether or not to pass the Resolutions contained in the accompanying Notice of Meeting.

Certain terms capitalised in the Notice of Meeting and this Explanatory Memorandum are defined in the Glossary.

The Resolutions are resolutions relating to a proposal to recapitalise the Company and acquire new operating businesses by undertaking the Proposed Transactions. More specifically, the Resolutions comprise:

(a) A resolution for the consolidation of the Shares and other securities on issue. If passed this resolution will consolidate Shares and other securities on the basis of 65 to 1 (see Resolution 1). References in the Notice of Meeting and this Explanatory Memorandum to numbers of Shares on a post Consolidation basis are to numbers of Shares assuming Resolution 1 is passed, and the Consolidation had taken effect;

(b) A resolution to approve a change in scale of activities of the Company for the purposes of Chapter 11 of the ASX Listing Rules (see Resolution 2);

(c) Resolutions to approve the acquisition of shares in the Heat Group and the issue of consideration Shares to Heat Holdings for the purposes of ASX Listing Rules 10.1 and 10.11 and sections 208 and 611 (item 7) of the Corporations Act (see Resolution 3, 4 and 5);

(d) Resolutions to approve the acquisition of Aware, including:

(i) resolutions to approve the acquisition of shares in Aware and the issue of consideration Shares to Heat Holdings for the purposes of ASX Listing Rules 10.1 and 10.11 and sections 208 and 611 (item 7) of the Corporations Act (see Resolutions 6, 7 and 8);

(ii) a resolution to approve the issue of Shares to the Aware Vendors on conversion of their Aware Vendor Convertible

Notes for the purposes of ASX Listing Rule 7.1 (see Resolution 9);

(iii) a resolution to approve the issue of Shares to Aware Related Party Creditors on conversion of RPC Convertible Notes for the purposes of ASX Listing Rule 7.1 (see Resolution 10); and

(iv) a resolution to approve the issue of Shares to Elevon on conversion of Elevon Convertible Notes for the purposes of ASX Listing Rule 7.1 (see Resolution 11);

(e) Resolutions to approve the issue of Shares to Seed Investors on conversion of Seed Convertible Notes for the purposes of ASX Listing Rule 7.1 and ASX Listing Rule 10.11 (and in relation to Cattermole and Cattermole Associates and the BIA Fund for the purposes of sections 208 and 611 (item 7) of the Corporations Act) (see Resolutions 12, 13 and 14);

(f) A resolution to approve the issue of Shares to DOCA Creditors upon the conversion of DOCA Convertible Notes for the purposes of ASX Listing Rule 7.1 (see Resolution 15);

(g) A resolution to approve the acquisition by AEP (a child entity of the Company) of the rights and obligations of Heat Holdings under the Actizyme Agreement in connection with the Aware Acquisition for the purposes of ASX Listing Rule 10.1 and section 208 of the Corporations Act (see Resolution 16);

(h) A resolution to approve the issue of securities under the Public Offer for the purposes of ASX Listing Rule 7.1 (see Resolution 17);

(i) A resolution for the Company to adopt the Executive Share Option Plan (see Resolution 18);

(j) Resolutions to approve the issue of Director Shares pursuant to ASX Listing 10.11 to Mr David Botta, Mr Steven Chaur and Mr Chris Zondanos (see Resolutions 19, 20 and 21);

(k) A resolution for the Company to change its name to Hiro Brands Limited (see Resolution 22); and

(l) A resolution for the Company to amend its constitution to permit the holding of solely virtual and electronic general meetings (see Resolution 23).

1.2 Interdependency of Resolutions

All of the Resolutions are dependent on one another, meaning that in order for the matters the subject of each Resolution to be passed and implemented, all of the remaining Resolutions must also be passed by Shareholders. The Directors have resolved that unless all of the Resolutions are passed the Proposed Transactions will not proceed.

1.3 The Proposed Transactions

The Proposed Transactions comprise (**Proposed Transactions**):

(a) the acquisition of approximately 98% of the shares in Heat Group from Heat Holdings, and the issue of Shares to Heat Holdings as consideration;

(b) the acquisition of approximately 98% of the shares in Aware, and the issue of Shares to Heat Holdings, as well as to the Aware Vendors, the Aware Related Party Creditors and Elevon upon the conversion of various convertible notes;

(c) the Offer, including the lodgement of the Prospectus with ASIC and the offering of Shares under the Prospectus; and

(d) associated transactions which are explained in this Explanatory Memorandum.

References in this Explanatory Memorandum to "Hiro" and "Hiro Group" are to the Company and where relevant to the Company following the Heat and Aware acquisitions

1.4 Indicative timetable

An indicative Timetable for the Proposed Transactions is as follows.

Event	**Date**
Despatch of Notice of Meeting	21 July 2022
Lodgement of Prospectus with ASIC	15 July 2022
Opening Date of the Public Offer	1 August 2022
Closing Date of Public Offer	12 August 2022
General Meeting	19 August 2022
Completion of Heat Acquisition and Aware Acquisition and issue of associated Shares	19 August 2022
Issue of Shares under the Prospectus for the Public Offer	25 August 2022
Expected date for despatch of holding statements	26 August 2022
Expected date for reinstatement to quotation of Shares on ASX	31 August 2022

Note: The above dates are indicative only. The Company reserves the right to alter this timetable including the Opening Date and Closing Date of the Offer.

Detailed information about the Proposed Transactions is set out in this Explanatory Memorandum.

1.5 Reasons for undertaking the Proposed Transactions

The Company is an Australian public company that was incorporated on 22 April 2014 and has been listed on ASX since 14 January 2016. Shares in the Company have been suspended from trading on ASX since 1 February 2021 and will not be reinstated until approval by ASX of the Company's application for reinstatement to quotation based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules (**Reinstatement Application**).

The Proposed Transactions will support the Reinstatement Application. The Company will submit the Reinstatement Application to ASX at or about the time of lodgement of the Prospectus with ASIC.

1.6 Board of Directors upon completion of the Proposed Transactions

On completion of the Proposed Transactions the Board of Directors will comprise the following persons.

Garry Hounsell –Independent Non-Executive Chairman

Garry is currently the Chairman of Helloworld Travel Limited (since October 2016) and is a director of the Commonwealth Superannuation Corporation Limited (since 2016), Findex Group Limited (since January 2020) and Treasury Wines Estates Limited (since 2012). Garry is the former Chairman of PanAust Limited (from July 2008 to August 2015), Myer Holdings Limited (from November 2017 to October 2020, and a director from September 2017 to October 2020), Spotless Group Holdings Limited (Chairman from February 2017 to August 2017, and a director from March 2014 to August 2017) and a former director of Qantas Airways Limited (from January 2005 to February 2015), Integral Diagnostics Limited (from October 2015 to March 2017) and Dulux Group Limited (from July 2010 to December 2017), and has held senior positions at both Ernst & Young and Arthur Andersen.

Garry is a Fellow of the Australian Institute of Company Directors and Chartered Accountants in Australia and New Zealand.

Steven Chaur –Managing Director and CEO

Steven is a transformational leader who has delivered sustainable shareholder value growth in competitive and dynamic sectors such as consumer food products, specialised industrial products and agricultural production across local and international customer markets. Steven has proven experience in FMCG strategy leadership, lean manufacturing, global distribution, consumer marketing, ASX financial oversight and governance. He has led organisations operating in Pacific and global markets.

Steven has held recent Managing Director and Chief Executive Officer roles at Castlegate James Australasia, Nutrano Produce Group, Patties Food Limited (ASX: PFL), Saint-Gobain Pacific (EPA: SGO) and has held senior executive roles at George Weston Foods, Findus Australia, National Foods Ltd (ASX: NFL), Simplot Australia and Unilever. He is a past Non-Executive Director at Wingara AG Limited (ASX: WNR), Meat & Livestock Australia and Davies Bakeries.

Margaret Lyndsey Cattermole AM – Non-Executive Director

Lyndsey Cattermole, AM, founded Aspect Computing, the largest Australian Software and Services Company, going on to be a major force in Australian ICT with 1300 employees. She remained as joint Managing Director from 1974 to 2003, before the business was sold. Lyndsey has been at the forefront of the Australian IT Industry including the Australian Computer Society, the Prime Minister's Science and Engineering Council, the Federal Government Electronic, Electrical and Information Industry Board, and the Multimedia Advisory Committee.

Lyndsey has held a number of board and membership positions on a range of government, advisory, association and not for profit committees. In particular, Lyndsey helped form the Murdoch Children's Research Institute from the Murdoch and Royal Children's, one of Australia's largest biomedical research institutes.

Lyndsey is currently a non-executive Director of Pact Group Holdings Limited (ASX:PHG) and also holds directorships with MPH Agriculture and Melbourne Rebels Rugby Union. With a Bachelor of Science from the University of Melbourne, Lyndsey is a Fellow of the Australian Computer Society.

Lyndsey is formerly a director of Treasury Wine Estates, Tatts Group and PaperlinX Limited.

David Botta – Independent Non-Executive Director

David has a business career spanning over 35 years in Australia, Europe, Asia and New Zealand. From 1996-1997, David was the Retail Director Nike Australia, responsible for eight stores, opening a chain of factory stores. In 1997 David moved to Nike Europe as Retail Director with responsibility for two Nike Towns and 52 factory stores. He was responsible for establishing the first pan-European retailer. In 2001, David moved back to Australia in the role of CEO for Jeanswest, a retail business with 220 stores and revenue of $185m. During this time David also took the business to the UAE. David's next move was to Colorado Group, with five major retail labels with a total of 480 stores, 3,500 employees and revenue of $500m. More recently, David owned Qualspec Australia's largest independent quality assurance company with operations across Asia, this business was sold in 2019. David is currently involved in several businesses focused in the technology and consumer space.

Paul Docherty – Non-Executive Director

Paul is Founder and Executive Chair of the BRC Group, one of Australia's leading Incubator and Accelerator's. Prior to founding the BRC Group, Paul was

the Founder and CEO of Direct Connect, a business that was sold with Lumo Energy for $600m to Snowy Hydro in 2014. Paul holds Chairmanships across MedTech, Health, Technology and BRC's Food businesses, and is both the Regional Chair of YPO in Australia and New Zealand, and the Chairman of the Melbourne Rebels.

Amber Collins – Independent Non-Executive Director

Amber started her career at Saatchi & Saatchi Advertising London working on FMCG brands such as Schweppes and Carlsberg-Tetley before joining Lowe Howard-Spink as the Board Director managing Tesco PLC. Over the next five years Amber worked as a Director of brand consultancy Interbrand in London and the USA. Returning to Australia, she spent nearly 10 years at Coles and Target in multiple management roles with responsibility for product development, brand management, digital marketing, communications and media. Amber joined Australia Post as Chief Marketing Officer in 2019 and is on the board of Foodbank Vic.

1.7 Senior management upon completion of the Proposed Transactions

On completion of the Proposed Transactions the senior management of the company will comprise the following persons.

Steven Chaur –Managing Director and CEO

See above.

Albert Zago – CFO

Albert Zago is a qualified Chartered Accountant with over 30 years finance and business management experience in FMCG, retail, distribution and manufacturing operations. Albert is an experienced leader in challenging customer focus and changing/complex environments, where operations are in need of pro-active transformation, whilst executing growth strategies. Prior to joining the Hiro Group, Albert held various senior executive positions in ASX listed and unlisted public companies such as Mitre 10 Australia Ltd and GUD Holdings Ltd and was Chief Financial Officer of Pental Ltd, Murray River Organics Ltd and Aware Environmental Pty Ltd, and spent a decade at PricewaterhouseCoopers and Hall Chadwick in audit and business management roles. Albert was appointed Group Chief Financial Officer of Hiro in March 2022.

Hasaka Martin –Company Secretary

Hasaka has over 15 years' experience working with listed companies both internally and through corporate service providers, and has worked across multiple sectors including corporate services, resources, biotechnology and universities. Hasaka has held varied roles ranging from corporate secretarial, business development and client servicing though teaching, program management and research. Hasaka is an appointed company secretary for a number of listed and unlisted companies. He is a Chartered Secretary and Fellow of the Governance Institute of Australia. Hasaka holds a Graduate Diploma in Applied Corporate Governance and postgraduate qualifications in

corporate and securities law.

1.8 Pro forma capital structure

The effect of the Proposed Transactions and the Public Offer on the capital structure of the Company on a post Public Offer (at both Minimum Subscription and Maximum Subscription) and post Consolidation basis can be summarised as follows:

Note	SHAREHOLDER	MINIMUM SUBCRIPTION ($25,000,000)		MAXIMUM SUBCRIPTION ($35,000,000)	
		SHARES	%	SHARES	%
1	Existing Shares on issue (excluding Heat Holdings)	1,037,066	1.8%	1,037,066	1.7%
2	Existing Shares held by Heat Holdings	1,046,154	46.7%	1,046,154	42.6%
3	Shares issued to Heat Holdings (in connection with the Heat Group and Aware acquisitions)	25,253,227		25,253,227	
4	Shares issued to Aware Vendors upon conversion of Aware Convertible Notes	214,480	0.4%	214,480	0.3%
5	Shares issued to Aware Related Party Creditors upon the conversion of RPC Convertible Notes	4,075,118	7.2%	4,075,118	6.6%
6	Shares issued to Elevon upon the conversion of Elevon Convertible Notes	953,846	1.7%	953,846	1.5%
7	Shares issued to Seed Investors upon the conversion of Seed Convertible Notes	10,040,504	17.8%	10,040,504	16.3%
8	Shares expected to be issued pursuant to the Public Offer	13,368,984	23.7%	18,716,578	30.3%
9	Shares issued to DOCA Creditors upon the conversion of DOCA Convertible Notes	107,193	0.2%	107,193	0.2%
10	Director Shares	256,666	0.5%	256,666	0.4%
11	**TOTAL**	**56,353,238**	**100%**	**61,700,832**	**100%**

	Public Offer Price	**$1.87**	**$1.87**
	Indicative market capitalisation based on Offer Price	**$ 105,380,555**	**$115,380,555**

Notes:

1) The Shares held by existing Shareholders (excluding Heat Holdings) (prior to issue of any Shares contemplated by the Resolutions in this Notice of Meeting.

2) The Shares held by Heat Holdings (prior to issue of any Shares contemplated by the Resolutions in the Notice of Meeting. Note that Elevon and Heat Holdings have entered into an option agreement pursuant to which Elevon has the right to acquire these 1,046,154 Shares from Heat Holdings. If Elevon exercises this option, its holding will increase (compared to what is depicted in the above table) and Heat Holding's will decrease (compared to what is depicted in the above table) by that number of Shares.

3) The Shares to be issued to Heat Holdings in connection with the Heat Acquisition and the Aware Acquisition (the subject of Resolutions3 ,4 ,5, 6, 7 and 8).

4) The Shares to be issued to the Aware Vendors on conversion of their Aware Vendor Convertible Notes in connection with the Aware Acquisition (the subject of Resolution 9).

5) The Shares to be issued to the Aware Related Party Creditors on conversion of their RPC Convertible Notes, in connection with the Aware Acquisition (the subject of Resolution 10).

6) The Shares to be issued to Elevon on conversion of their Elevon Convertible Notes, in connection with the Aware Acquisition as Elevon's success fee (the subject of Resolution 11).

7) The Shares to be issued to Seed Investors on conversion of their Seed Convertible Notes, in connection with the various seed round capital raisings undertaken by the Company (the subject of Resolutions 12, 13 and 1412). This includes Shares to be issued to Seed Investors who are both related parties and non-related parties of the Company, and who have participated in different rounds of seed raises at different prices. See Resolution 8 for distinctions. Note that this is the amount of Shares to be issued to Seed Investors in respect of seed funding that has been obtained by the Company as at the date of this Notice of Meeting. The Company anticipates receiving further funding between the date of this Notice of Meeting and completion of the Proposed Transactions, in which case, the amount of Shares to be issued in respect of the conversion of seed funding convertible note arrangements will increase (compared to what is depicted in the above table).

8) The Shares expected to be issued to new investors in the Company pursuant to the Public Offer under the Prospectus (the subject of Resolution 17). Based on the Minimum Subscription ($25,000,000) there will be 13,368,984 Shares issued at $1.87 per Share and based on the Maximum Subscription ($35,000,000) there will be 18,716,578 Shares issued at $1.87 per Share. Note that while this document assumes a Minimum Subscription and Maximum Subscription as well as an offer price of $1.87 per Share, , this is indicative only and subject to the prevailing market conditions and other factors at the time of the Public Offer.

9) The Shares to be issued to the DOCA Creditors on conversion of their DOCA Convertible Notes, in connection with the DOCA (the subject of Resolution 15).

10) The Shares to be issued to Mr David Botta, Mr Steven Chaur and Mr Chris Zondanos as part of their remuneration packages as directors (and former chief executive officer in the case of Mr Chris Zondanos) of the Company (the subject of Resolutions 19, 20 and 21).

11) All the numbers of Shares set out above are on a post Consolidation basis (the subject of Resolution 1).

1.9 Voting power tables

Introduction

The tables in this section set out the expected maximum voting power of each of the relevant parties which are the subject of the Resolutions in this Notice of Meeting, being each of:

(a) Heat Holdings;

(b) Margaret Lyndsey Cattermole, including her direct and indirect holdings, and associates, as follows (**Cattermole and Cattermole Associates**):

(i) Direct – Alcatt Pty Ltd (**Alcatt**) (an entity wholly controlled by her) will directly hold tranches of Shares issued upon the conversion of Seed Investor Convertible Notes. Additionally, Hugh Cattermole (Margaret Lyndsey Cattermole's son) and Cattermole Management Pty Ltd (an entity controlled by Hugh Cattermole) will directly hold Shares in the Company upon the conversion of Seed Investor Convertible Notes respectively, and in turn, Margaret Lyndsey Cattermole will have an interest in these shares; and

(ii) Indirect – Alcatt has a substantial holding (of 48.2%) in Heat Holdings and as a result, pursuant to section 608(3)(a) of the Corporations Act, she in turn has a relevant interest in the Shares in the Company that will be held by Heat Holdings; and

(c) BIA Fund (collectively, the **Relevant Parties**).

Descriptions of the Relevant Parties

Heat Holdings is Heat Holdings Pty Ltd, a private company owned and controlled by BIA Fund, Cattermole and Cattermole Associates, and other persons. Heat Holdings currently holds approximately 98% of Aware and 98% of Heat Group. Following completion of the Proposed Transactions Heat Holdings will be the major shareholder in Hiro, with a direct holding of 46.7% (Minimum Subscription) or 42.6% (Maximum Subscription).

BIA Fund is BRC Collective Pty Ltd in its capacity as trustee of the BRC Incubator and Accelerator Unit Trust. Following completion of the Proposed Transactions BIA Fund will have a direct holding in Hiro of 9.5% (Minimum Subscription) or 8.6% (Maximum Subscription). In addition to its direct interest in Hiro, BIA Fund will have a relevant interest (and voting power) in the shares held by Heat Holdings because of the operation of section 608(3)(a) of the Corporations Act.

Cattermole and Cattermole Associates comprise Margaret Lindsay Cattermole and her associates Alcatt Pty Ltd, Hugh Cattermole (Lyndsey Cattermole's son) and Cattermole Management Pty Ltd (an entity controlled by Hugh Cattermole). Lyndsay Cattermole is a successful entrepreneur and founder of Aspect Computing. She is now a private investor and member of the

BRC Group which has invested in Hiro and promoted the Proposed Transactions. Following completion of the Proposed Transactions Cattermole and Cattermole Associates will have a direct holding in Hiro of 4.8% (Minimum Subscription) or 4.4% (Maximum Subscription). In addition to their direct interest in Hiro Cattermole and Cattermole Associates will have a relevant interest (and voting power) in the shares held by Heat Holdings because of the operation of section 608(3)(a) of the Corporations Act.

Voting power

The table below sets out the expected maximum voting power of each of the Relevant Parties upon completion of all of the Proposed Transactions. This table is prepared on a post Consolidation basis.

Note	Relevant Party	Shares	Minimum Subscription	Maximum Subscription
			%	%
1	Heat Holdings[(1)]	26,299,381	46.7%[(1)]	42.6%[(1)]
2	Cattermole and Cattermole Associates[(2)]	29,015,758	51.5%[(2)]	47.0%[(2)]
3	BIA Fund[(3)]	31,634,349	56.1%[(3)]	51.3%[(3)]

Notes:

(1) Heat Holdings will have a direct interest in 26,299,381 Shares in the Company following completion of the Proposed Transactions (see Resolutions 3 – 8).

(2) Cattermole and Cattermole Associates will have an interest (directly and indirectly) in 29,015,758 Shares the Company following completion of the Proposed Transactions as follows:

a) Alcatt will directly hold tranches of 695,135 and 1,924,993 Shares issued upon the conversion of Seed Investor Convertible Notes;

b) Alcatt has a substantial holding (of 48.2%) in Heat Holdings and as a result, pursuant to section 608(3)(a) of the Corporations Act will have a relevant interest in the 26,299,381 Shares in the Company that will be held by Heat Holdings; and

c) Hugh Cattermole (Margaret Lyndsey Cattermole's son) and Cattermole Management Pty Ltd (an entity controlled by Hugh Cattermole) will directly hold 64,166 and 32,083 Shares in the Company respectively.

(3) BIA Fund will have an interest (directly and indirectly) in 31,634,349 Shares the Company following completion of the Proposed Transactions as follows:

a) BIA Fund will directly hold tranches of 4,051,639 and 1,283,329 Shares issued upon the conversion of Seed Investor Convertible Notes; and

b) BIA Fund has a substantial holding (of 42%) in Heat Holdings and as a result, pursuant to section 608(3)(a) of the Corporations Act, it in turn has a relevant interest in the 26,299,381 Shares in the Company that will be held by Heat Holdings.

Voting power at different steps of Proposed Transactions

The table below sets out the expected maximum voting power of each of the Relevant Parties at various stages of the proposed transactions. In each case their voting power will increase a result of the issue of shares in consideration of the Heat Group and Aware acquisitions, and then be diluted as a result of subsequent share issues, including the issue of shares to the public under the Offer. This table is prepared on a post Consolidation basis.

Party	Subscription	Relevant interest (current) (1)		Relevant interest (post Heat Group acquisition) (2)		Relevant interest (post Aware acquisition) (3)		Relevant interest (post all Proposed Transactions) (4)	
		Shares	%	Shares	%	Shares	%	Shares	%
Heat Holdings	Minimum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	26,299,381	46.7%
	Maximum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	26,299,381	42.6%
Cattermole and Cattermole Associates (4)	Minimum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	29,015,758	51.5%
	Maximum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	29,015,758	47.0%
BIA Fund (5)	Minimum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	31,634,349	56.1%
	Maximum Subscription	1,046,154	50.22%	26,084,901	95.42%	26,299,381	96.21%	31,634,349	51.3%

Notes:

(1) This is the current relevant interest of each of the parties (before any of the Proposed Transactions) on a post Consolidation basis.

(2) This is the relevant interest of each of the parties after completion of the acquisition by the Company of the Heat Group (the subject of Resolutions 3 – 5) and the associated share issues, on a post Consolidation Basis.

(3) This is the relevant interest of each of the parties after completion of the acquisition by the Company of Aware (the subject of Resolutions 6 – 8) and the associated share issues, on a post Consolidation Basis.

(4) This is the relevant interest of each of the parties following completion of all of the remainder of the Proposed Transactions, including the following share issues (which will occur simultaneously):

a) issue of shares to Aware Vendors upon conversion of Aware Convertible Notes (Resolution 9);
b) issue of shares to Aware Related Party Creditors upon conversion of RPC Convertible Notes (Resolution 10);
c) issue of shares to Elevon upon conversion of Elevon Convertible Notes (Resolution 11);
d) issue of shares to Seed Investors upon conversion of Seed Convertible Notes (Resolutions 12 – 14);
e) issue of shares to DOCA Creditors upon conversion of DOCA Convertible Notes (Resolution 15);
f) issue of shares pursuant to the Public Offer (Resolution 17); and
g) issue of shares to Directors (Resolution 19 – 21).

(5) See the introduction to this section 1.9 for an explanation of the holding of Cattermole and Cattermole Associates.

(6) See the introduction to this section 1.9 for an explanation of the holding of BIA Fund.

1.10 Directors' voting power

The tables below set out the expected voting power of each the Directors on completion of the Proposed Transactions and Public Offer on a post Consolidation basis (and assuming the Minimum Subscription under the Public Offer). At the maximum subscription these percentages will be slightly less.

Director	Shares	%
Garry Hounsell	160,416	0.3%
Steven Chaur	160,416	0.3%
Margaret Lyndsey Cattermole (1)	29,015,758	51.5%
David Botta	77,000	0.1%
Paul Docherty	0	0%
Amber Collins	0	0%

Note:

(1) As explained above in section 1.9 Cattermole and Cattermole Associates will have an interest (directly and indirectly) in 29,015,758 Shares the Company following completion of the Proposed Transactions as follows:

c) Alcatt will directly hold tranches of 695,135 and 1,924,993 Shares issued upon the conversion of Seed Investor Convertible Notes;

d) Alcatt has a substantial holding (of 48.2%) in Heat Holdings and as a result, pursuant to section 608(3)(a) of the Corporations Act, she in turn has a relevant

interest in the 26,299,381 Shares in the Company that will be held by Heat Holdings; and

e) Hugh Cattermole (Margaret Lyndsey Cattermole's son) and Cattermole Management Pty Ltd (an entity controlled by Hugh Cattermole) will directly hold 64,166 and 32,083 Shares in the Company respectively, and in turn, she will have an interest in these shares.

1.11 Senior management voting power

On completion of the Proposed Transactions and Public Offer, it is expected that senior management of the Company will hold the interests in the capital of the Company on a post Consolidation basis (and assuming the Minimum Subscription under the Public Offer) set out in the table below:

Senior manager	Shares	%
Steven Chaur	160,416	0.3%
Albert Zago	0	0%
Hasaka Martin	0	0%

1.12 Pro forma Balance Sheet

The pro forma balance sheet below sets out the financial position of the Company following the Proposed Transactions.

$'000	31-Dec-21
Current assets	
Cash and cash equivalents	17,826
Trade and other receivables	8,749
Inventories	9,453
Other Assets	493
Total current assets	**36,521**
Non-current assets	
Trade and other receivables - NC	141
Property, plant and equipment	12,767
Customer contract assets	186
Intangibles	12,560
Right-of-use assets	29,874
Total non-current assets	**55,528**
Total assets	**92,049**
Current liabilities	
Trade and other payables	(15,477)
Interest-bearing loans and borrowings	(11,427)
Lease liabilities	(2,495)
Provisions	(1,580)

$'000	31-Dec-21
Total current liabilities	**(30,979)**
Non-current liabilities	
Interest-bearing loans and borrowings - NC	(1,868)
Lease liabilities - NC	(31,204)
Provisions - NC	(207)
Total non-current liabilities	**(33,279)**
Total liabilities	**(64,258)**
Net assets	**27,790**
Equity	
Contributed equity	102,700
Reserve	(18,020)
Retained earnings/(accumulated losses)	(56,891)
Total equity	**27,790**

Source: Heat and Aware Financial Statements, Pro forma adjustments from Management, BDOCF analysis

With reference to the table above, we note the following:

- Pro forma adjustments raised by management to reflect the Proposed Transactions include:
    - the acquisition and consolidation of Aware and Heat Group by Wellness in accordance with the applicable accounting standards;
    - the purchase of the Actizyme brand under Heat Group's distribution business;
    - Conversion of notes recognised on Aware, Heat Group and Wellness' balance sheet at 31 December 2021, and notes issued by Wellness as part of the Proposed Transactions;
    - Reclassification of line items to ensure alignment to the Company's reporting format going forward;
    - Restructuring of external debt held by Aware and Heat Group as part of the Proposed Transactions; and
    - Expected proceeds from the Public Offer ($27.5m).
- Cash and cash equivalents can be attributed to the Offer proceeds, which are partly committed to acquiring Aware, purchasing the Actizyme brand paying down external debt and funding other transaction costs. The balance of cash will be used to fund activities associated with the integration of the businesses, including marketing, technology and other working capital requirements.
- Intangibles recognised at 31 December 2021 only comprised of goodwill from historically acquired brands. No goodwill was assumed upon the acquisition of Aware and Heat Group by Wellness, as AASB 3 *Business Combinations* does not apply to combinations of businesses under common control (noting Heat Group and Aware are currently commonly controlled by Heat Holdings).

- Lease liabilities primarily resulted from Aware's 15-acre manufacturing facility. The lease period is for 20 years, which commenced on 29 April 2019. An option for a further 10-year term is available. Rent rates began at $1.5m plus GST per annum, increasing at 3% at each anniversary of the commencement date.
- All entities that comprise the Company's group have substantial carry forward tax losses (Wellness: $15.4m; Heat Group: 17.2m; and Aware: $5.1m – based on the latest lodged tax returns for each entity). The availability of these losses to offset future income is subject to the Australian taxation rules. We understand that the losses from the Heat Group are the most likely to be available given the likelihood of satisfying the 'continuity of ownership' test.

1.13 History of the Company and DOCA

The Company is an Australian public company incorporated on 22 April 2014 and was admitted to the Official List of ASX on 14 January 2016.

The Company's securities were suspended from official quotation on 1 February 2021 as a consequence of not meeting its quarterly reporting obligations. The Company subsequently entered voluntary administration on 30 March 2021 and Laurence Fitzgerald of William Buck was appointed as the administrator of the Company (**Administrator**).

At a meeting of creditors held on 19 July 2021, creditors of the Company approved a proposal by BRC Collective Pty Ltd (**BRC**) for the Company to enter into a deed of company arrangement (**DOCA**) and approved the appointment of Laurence Fitzgerald of William Buck as deed administrator of the Company (**Deed Administrator**).

On 9 August 2021, the Company, the Deed Administrator and BRC entered into the DOCA.

Pursuant to the terms of DOCA, among other things, Heat Holdings Pty Ltd (**Heat Holdings**), as BRC's nominee, was issued with 68,000,000 shares in the capital of the Company (**DOCA Shares**) at an issue price of $0.0063 per DOCA Share in consideration of BRC providing a contribution of $472,763.23 to the deed fund established by the DOCA (**Contribution**) to recapitalise the Company and facilitate the exit of the Company from voluntary administration (**DOCA Placement**). Heat Holdings acquired a total of 50.2% of the ordinary shares in the capital of the Company, and existing shareholders of the Company were diluted to 49.8%.

Completion of the DOCA (and the requirement for BRC to pay the Contribution) was conditional on the Company obtaining shareholder approval of the issue of the DOCA Shares to Heat Holdings. An extraordinary general meeting to consider this resolution was held on 25 October 2021 and the approving resolution was carried. The conditions precedent to the DOCA were subsequently satisfied (or waived) and completion of the DOCA occurred on 31 October 2021. The Administrator resigned on 21 December 2021 and

registered the effectuation of the DOCA with ASIC and officially returned control of the Company to its directors.

Pursuant to the terms of the DOCA, creditors (secured and unsecured) (**DOCA Creditors**) did not participate in a distribution of the deed fund but were issued unsecured convertible notes from respective pools of convertible notes (one pool for secured creditors of $100,000 and one pool for unsecured creditors of $100,000) (**DOCA Convertible Notes**). DOCA Creditors participated in the respective pools on a pro rata basis based on admitted claims owed to them by the Company. The DOCA Convertibles Notes convert to equity in the Company upon the successful completion of the Proposed Transactions and Public Offer. If the DOCA Convertible Notes do not convert, and instead mature, their principal value will become due and payable by the Company.

1.14 Proposed acquisitions

As set out in this notice, it is now proposed that the Company will acquire The Heat Group Pty Ltd ACN 092 941 430 (**Heat Group**) and Aware Environmental Ltd ACN 134 677 955 (**Aware**). The vendors of Heat Group and Aware (as well as other relevant associated parties including creditors) will be issued with Shares in the Company as consideration for the acquisition of Heat Group and Aware.

The proposed acquisitions will be subject to the Company obtaining all necessary shareholder approvals required under the Corporations Act and the ASX Listing Rules as set out in this notice.

1.15 Heat Acquisition

On or around 11 July 2022 the Company as the purchaser and Heat Holdings as the vendor, entered into an agreement (**Heat Acquisition Agreement**) under which the Company will purchase 20,000 of the fully paid ordinary shares on issue in the capital of Heat Group (which represents approximately 98% of the shares in Heat Group) (**Heat Shares**)) from Heat Holdings (**Heat Acquisition**).

The remaining 408 shares in the capital of Heat Group (representing 2% of the total capital on issue) will continue to be held by IHAVEADREAM Pty Ltd (**Dream**). The 408 shares were issued to Dream on or around 28 February 2022. The shares were issued to Dream in consideration of the introduction of the Heat Group to the Company, an arrangement that was entered into in late 2021. Dream is not a related party of the Company and is not a promotor of the Proposed Transactions.

Under the Heat Acquisition Agreement, the purchase price for the Heat Shares is $12,610,000 to be satisfied by the issue of 25,044,687 Shares to Heat Holdings at $0.50350 per Share.

The Heat Acquisition is otherwise on terms and conditions which are conventional for a private treaty sale and purchase of shares, including warranties and indemnities given by Heat Holdings as the vendor. The Heat Acquisition is on an “as is” basis and there is no adjustment to the purchase price for working capital, debt or cash.

The Heat Acquisition is the subject of Resolutions 3 – 5.

See section 4.1 for further information regarding the Heat Acquisition.

1.16 Heat Group business

Heat Group is a marketing and distribution company that was incorporated in May 2000 and commenced its business and operations with a distribution contract for Procter & Gamble. From 2001 to 2021, Heat Group progressively built up a portfolio of distributed and owned brands in the wellness, beauty and cosmetics sector. Today, Heat develops brands from conceptualisation in-house, acquires brands outright, and manages the marketing and sales distribution of other brands, predominantly across Australia and New Zealand: https://www.heatgroup.com.au/.

Heat Group's owned brand portfolio includes ulta3 colour cosmetics, MUD colour cosmetics, Billie Goat, Fluerique, Body Tools beauty accessories, Windsor men's grooming accessories and Medi-Manager health aids. Heat Group is also the exclusive Australian national distributor for the essence brand of colour cosmetics, supplied by Cosnova GmbH, a colour cosmetics market leader in Europe and the UK. A long term agreement with Cosnova is in place until 1st July 2025 with a mutual option to renew for a further term.

In November 2016, Heat Group acquired Doward International and with it acquired a mix of brands which it distributes, which includes exclusive national distribution agreements into pharmacies for iconic brands such as Mason Pearson (grooming), Simpkins (travel sweets), Mack's (ear plugs), Growth Bomb (hair supplements), Mr. Bright (teeth whitening) and the Wheat Bag (body relief). The Company also distributes several mainstream confectionary brands, which it now views as non-core to the future business and is in a process of reducing its product lines in this category over the coming 12 months.

Heat Group's brands can be found in Woolworths, David Jones, Target, BIG W, Chemist Warehouse, Woolworths, Priceline and across a national network of 4,000 pharmacies. Heat Group offers the highest coverage for independent pharmacy distribution in Australia with an experienced, in house and highly regarded national pharmacy sales team. The relationship-based model is core to Heat Group's capability and underpins its ability to sell new products and focus on appropriate product management across each territory.

A separate in-house national account management team manages all Heat Group's major corporate clients including retail customers such as Woolworths, Aldi, corporate pharmacies (Chemist Warehouse and Priceline) and large format retail outlets such as Kmart, Big W and Target.

Heat Group had FY21 revenue of approximately $23m split between owned brands (approximately 44%) and third-party brands which it distributes (approximately 56%). Approximately 98% of sales are in Australia with 2% in New Zealand and a small volume of sales in the United Arab Emirates. Approximately 74% of Heat Group's FY21 revenue was from sales to pharmacies with the balance from sales to other retailers and a small amount (approximately 2%) from online sales.

Since the formation of Hiro Group, the Company has been exiting distributor line product ranges that are no longer considered as core to the future Hiro strategy, including general confectionary and other smaller distributor brands where there are either small volumes or no exclusive distribution arrangements. This exit is facilitating the substitution of revenue and reduction of business complexity for internally manufactured Aware skin cosmetics, TGA cosmeceutical products (products that have both cosmetic and therapeutic properties) and innovation in new premium skin care brands and products that are more relevant to the customer channels and future growth strategy of Hiro.

1.17 Aware Acquisition

Initial acquisition of Aware by Heat Holdings

Heat Holdings holds substantially all of the issued shares in Aware. This was achieved by Heat Holdings as follows:

(a) Heat Holdings was issued with 50,000,000 new shares in Aware pursuant to the terms of a Share Purchase Agreement dated on or around 18 October 2021 for a subscription price of $100,000 (**Initial Aware SPA**); and

(b) Heat Holdings acquired the shares in Aware held by majority shareholders (who held approximately 93.25% of the shares in Aware) (**Aware Vendors**) pursuant to a Share Purchase Agreement entered into on or about 15 April 2022 (**New Aware SPA**) (which superseded and replaced the Initial Aware SPA). The consideration payable under the New Aware SPA was satisfied by Heat Holdings procuring that the Company issue convertible notes to the Aware Vendors. To this end, Heat Holdings procured that the Company issue 243,709 convertible notes to the Aware Vendors which convert into Shares on the Company's successful reinstatement to the Official List of the ASX (**Aware Vendor Convertible Notes**). The Aware Vendor Convertible Notes have an aggregate face value of $243,709 and convert into 214,480 Shares in the Company at an effective conversion rate of $1.13. Approval of the issue of the Aware Vendor Convertible Notes is the subject of Resolution 9.

Acquisition of Aware by the Company

It is now proposed that the Company will acquire the shares in Aware held by Heat Holdings by exercising a series of options (collectively, the **Aware Options**):

(c) Option 1 – On or around 18 October 2021, Heat Holdings granted the Company an option to acquire the 50,000,000 shares acquired by Heat Holdings under the Initial Aware SPA (**Aware Option 1**) (**Aware Option Agreement 1**). The exercise price for the Aware Option 1 is the amount paid under the Initial Aware SPA ($100,000) plus 5% which is payable by the Company issuing 208,540 Shares to Heat Holdings at a price of $0.50350 per Share; and

(d) Option 2 – On or around 14 April 2022, Heat Holdings granted the Company an option to acquire all of the shares acquired by it under the New Aware SPA (**Aware Option 2**) (**Aware Option Agreement 2**). The exercise price for the Aware Option 2 is the amount equal to the consideration paid by Heat Holdings under the New Aware SPA plus 5%. That amount will be satisfied as follows:

(i) the Company will set-off the amount owed by Heat Holdings to the Company as a result of the Company issuing the Aware Vendor Convertible Notes to the Aware Vendors as consideration under the New Aware SPA; and

(ii) the 5% will be paid by the Company in cash to Heat Holdings.

The Company intends to exercise the Aware Options to acquire Aware (**Aware Acquisition**). The Company must obtain shareholder approval before exercising the Aware Options and issuing the consideration Shares in itself to Heat Holdings.

The Aware Acquisition is on an "as is" basis and there is no adjustment to the purchase price for working capital, debt or cash.

The Aware Acquisition is the subject of Resolutions 6 – 8.

Connected transactions

On 15 April 2022, to facilitate the acquisition of Aware by Heat Holdings, the Company, Heat Holdings and Aware entered into deeds of forgiveness and conversion (**Forgiveness and Conversion Deeds**) in respect of secured debts of $13,711,052 owed to Aware's founders and their related parties (**Aware Related Party Creditors**) under which the Aware Related Party Creditors forgave a portion of their debts ($8,711,052), with the balance converted into of convertible notes ($5,000,000) (**RPC Convertible Notes**) which convert into Shares on the Company's successful reinstatement to the Official List of ASX. The RPC Convertible Notes have an aggregate face value of $5,000,000 and convert into 4,075,118Shares at an effective conversion rate of $1.23. Approval of the issue of the RPC Convertible Notes is the subject of Resolution 10.

Pursuant to a Deed of Acknowledgment dated 18 October 2021 as amended by a Deed of Amendment dated on or around 1 July 2022 (**Elevon Deed**) Elevon Pty Ltd (**Elevon**), Aware's corporate advisor, was issued with 1,486,518 convertible notes (**Elevon Convertible Notes**) for services rendered to Aware and as a success fee for introducing Aware to the Company. The Elevon Convertible Notes convert into Shares on the Company's successful reinstatement to the Official List of ASX. The Elevon Convertible Notes have an aggregate face value of $1,486,518 and convert into 953,846 Shares. Approval of the issue of the Elevon Convertible Notes is the subject of Resolution 11. For more information about Elevon see section 8.

Heat Holdings and ERAWA are parties to an IP and Asset Sale Agreement dated 18 October 2021 (**Actizyme Agreement**), pursuant to which Heat Holdings has agreed to purchase and ERAWA has agreed to sell the Actizyme business including various intellectual property rights and assets related to the

"Actizyme" brand. In connection with the acquisition of Aware, Heat Holdings has now entered into an agreement with Aware Environmental Products Pty Ltd (**AEP**) (which will become a controlled subsidiary of the Company upon completion of the Aware Acquisition) pursuant to which Heat Holdings will assign and novate its rights under the Actizyme Agreement to AEP. This is the subject of Resolution 16.

Westpac

Aware has various banking facilities with Westpac. Aware currently owes Westpac approximately $13,000,000. Westpac has first ranking security over Aware and its assets and requires the amounts owing to repaid. Westpac has agreed to extend its current facilities to Aware to 30 August 2022 and to forbear from exercising enforcement rights in connection with present breaches under the facilities. The Company intends to repay Westpac partly out of the proceeds of the Offer and partly out of new debt facilities.

The Company has received an offer of new debt facilities from Earlypay Limited. The new facilities comprise a debtor finance facility with a limit of $10,000,000 and a trade finance facility with a limit of $5,000,000. The Company intends to accept the offer and proposes to draw down approximately $6,000,000 under the debtor finance facility to partially repay the Westpac debt. The balance of the Westpac debt (approximately $7,000,000) will be repaid out of the proceeds of the Public Offer. See section 1.24 (Use of Funds).

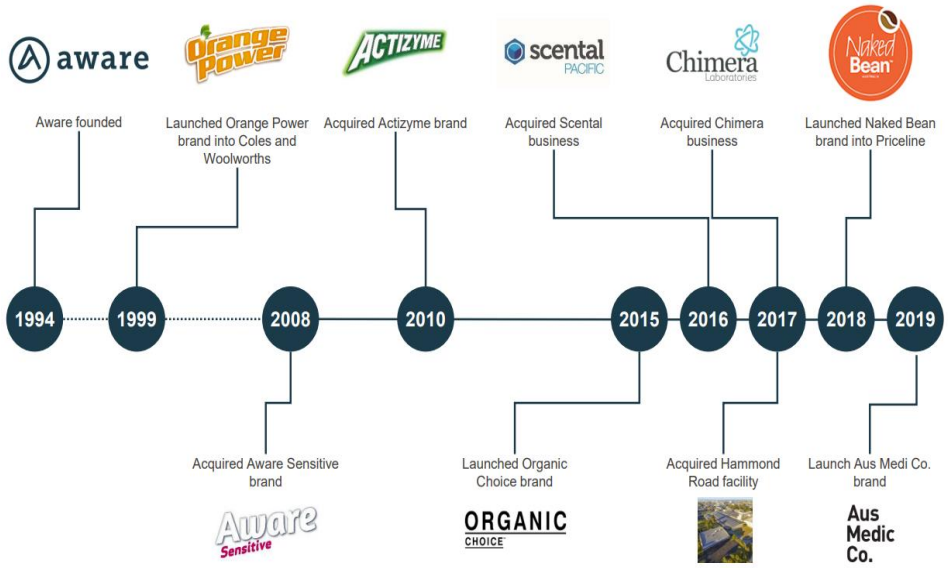
Key terms of the Earlypay facilities are:

Facility limit:	Debtor finance facility $10m Trade finance facility $5m
Availability:	Immediate
Interest:	Debtor finance facility – discount 7.25% Trade finance facility - interest 4.58%
Security:	General Security Deed

The Directors are confident that the new Earlypay facilities will be available to pay out Westpac by the agreed date of 30 August 2022. If they are not, the full amount owing to Westpac will be paid out of the proceeds of the Public Offer. This would result in approximately $6,000,000 not being available for the other uses of funds specified in section 1.24 and a consequent reduction in the planned expenditure on marketing and a reduction in working capital. While this would be undesirable, the Directors are confident that the Company and its business would remain viable.

1.18 Aware business

Aware was founded in 1994 as a contract manufacturer of consumer and household cleaning products. In 1999 it commenced selling its own range of cleaning and air freshener products under the “Orange Power” label through Coles and Woolworths. This product line continues to be stocked by both supermarket chains today. Since then, Aware has acquired several additional brands and further developed its manufacturing capabilities both for its own branded products and for its contract manufacturing customers.



Today, Aware is a manufacturing, marketing and distribution company selling its own proprietary branded consumer products in the personal care, cosmeceuticals, cosmetic and homecare markets. In addition to selling its own branded products, Aware is also one of Australia’s leading contract manufacturers of cosmetic, TGA and personal care products supplying to several large brand owners and supermarket retailers.

https://www.awareenvironmental.com.au.

A key competitive advantage for Aware is that it also owns the formulation intellectual property for the majority of its own and contracted product formulations, except in a small number of instances where the formulation has been supplied by a contract manufacture brand owner. This ensures that Aware retains its development IP and can leverage these formulations across its business more efficiently and cost effectively where appropriate. Each contract manufacturing customer is engaged through a formal supply contract with Aware outlining the terms of business.

Aware sells its products through major supermarkets, pharmacies, hardware stores, gift shops and major retail stores. Some of Aware’s major own brand products include Orange Power, Organic Choice, Naked Bean, AusMediCo, Trix, Stain Magic, Maaa’s and Aware Sensitive. The company also manufactures the Actizyme brand under a licence, which it has agreed to purchase from the licensor as part of the ASX listing proceeds.

Some of the quality brands that Aware has contract manufacturing agreements with include Thank You, Redwin, Rosken, Lacura (Aldi), Sard, Brutal Truth and LPO (Coles).

As mentioned above, as well as contract manufacturing, Aware undertakes end to end product development for third party brand owners. Typically, Aware retains the rights to any intellectual property generated through product development, creating customer retention and ensuring cost control.

Aware employs its own internal and experienced national sales team to manage its company brand portfolio in grocery customers and its contract manufacturing relationships. A third party field sales team is engaged to support promotional, shelf and product distribution activity in major grocery stores as required.

Aware had FY21 revenue of approximately $72m split between contracted brands (65%) and owned brands (35%), mainly sold through grocery.

1.19 Business of the Company

Hiro Brands Limited (**Hiro**) is a new business resulting from the merger of the Heat Group and Aware. Through the addition of new capital, a new Board and new Management team, Hiro has a vision and accompanying mission statement, to be one of Australia's leading producers and distributors for Australian made 'better for the planet and better for consumers' personal care, cosmetics, cosmeceutical and household cleaning products.

The unique proposition underpinning Hiro is the combination of a strong existing retail/B2C distribution network, local flexible high volume manufacturing capability and an existing consumer brand portfolio of attractive consumer products and brands accessing a wide portfolio of diverse customer channels. Hiro has a valuable national distribution network across 7,000 retailers distributing products including major supermarkets, variety retailers, department stores, beauty retailers, a growing eCommerce platform and around 4,000 pharmacies.

Hiro aims to become a leading platform for sustainable everyday consumer products; products that play a key role in the lifestyle and wellbeing of consumers where conscious customers want to do good everyday by using products that support the values of a sustainable future and products that are better for the planet. The Company also believes that there is an opportunity to not only curate and develop such products itself, but to also actively identify, manufacture and market (and even invest in) the new innovative 'good' consumable products created by others who lack the resources to bring them to market.

The Hiro business model is an attractive and viable proposition because it takes advantage of a gap in the market by providing an extensive and varied portfolio of Australian made 'better for the planet' brands across many everyday essential product segments and sold across a diverse customer base.

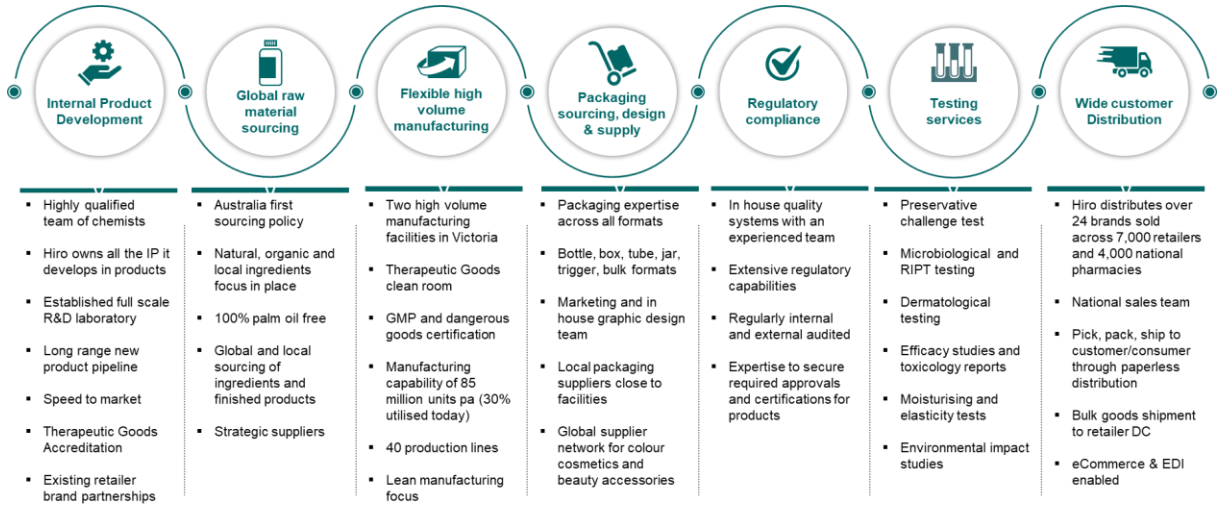
Hiro's business model is supported by leveraging the existing Heat national distribution network which allows Hiro to grow its own broad manufactured product range and brand portfolio penetration more quickly than from a standing

start. Previously, the Aware business did not have access to these customers and relied on a traditional grocery sales model for its range of cosmetic and household cleaning products.

Further, through Aware's local R&D and flexible manufacturing capabilities, the Heat Group distribution network (retail and ecommerce) now has access to many exciting and new locally made cosmetic and cosmeceutical products not previously available to its customers, thereby reducing reliance on 3rd party distributor brands and enabling Hiro to become a fully integrated manufacturer and leading distributor in Australia, NZ and abroad of these products.

As shown in the table below, Hiro's management believes it has the intellectual property (IP), experience, expertise to design, formulate, produce and distribute products from concept to final distribution to the customer.

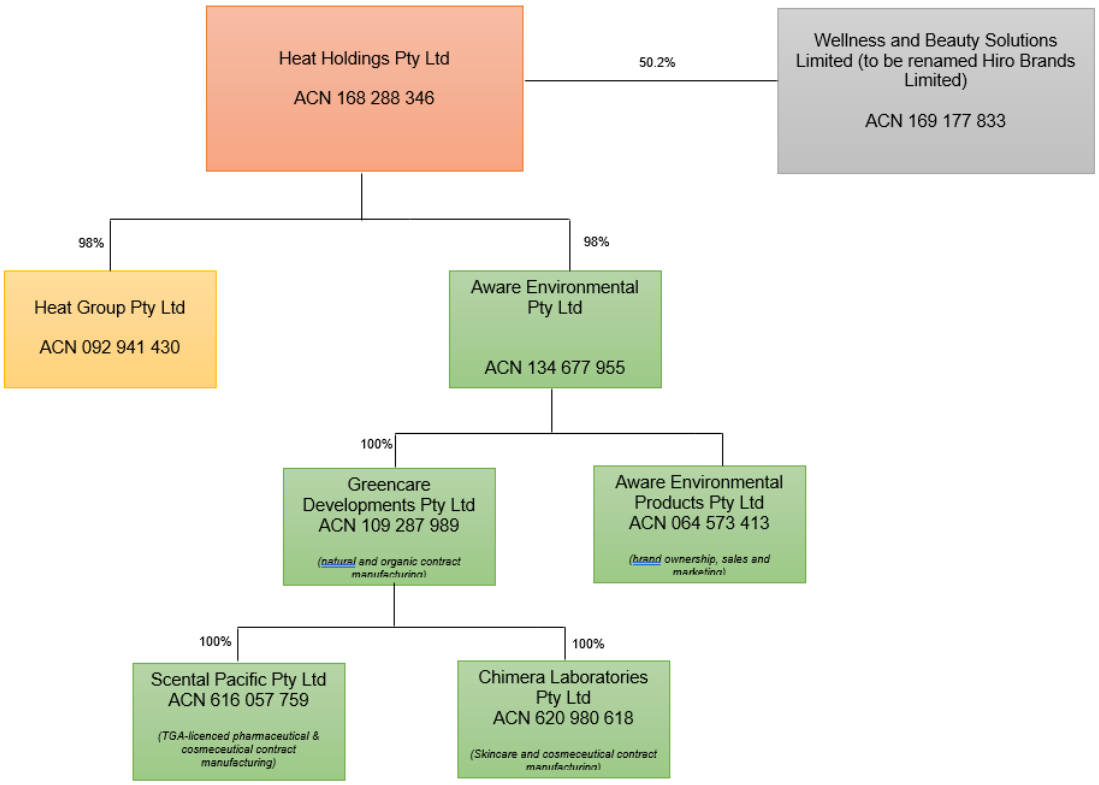
Hiro provides customers a full-service operation across its entire value chain



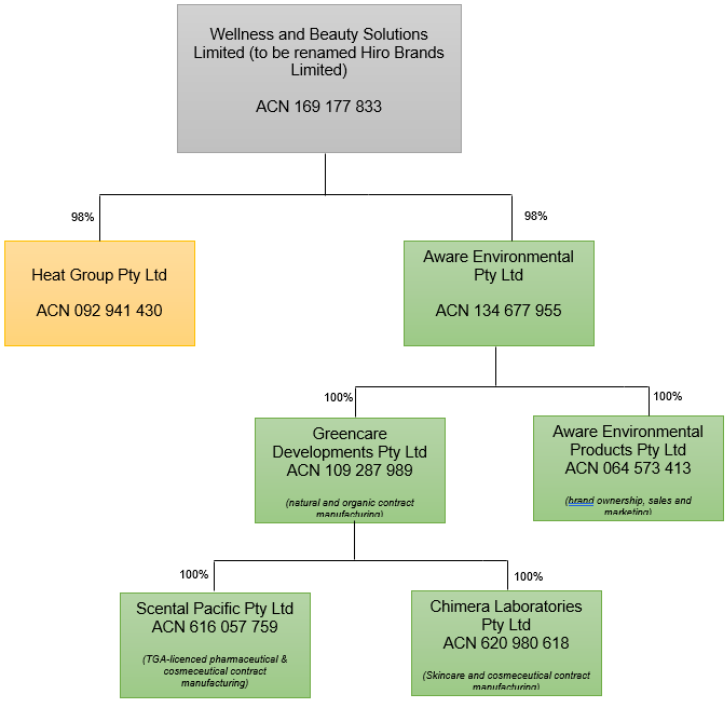
Further information about the Hiro business will be contained in the Company's Prospectus for its Public Offer.

1.20 Corporate structure of the Company before and after the Proposed Transactions

The diagram below illustrates the current corporate structure of the Company and the relevant entities prior to completion of the Proposed Transactions:



After the Proposed Transactions, the Company will become the parent company of Heat Group and Aware. The diagram below illustrates the corporate structure of the group after completion of the Proposed Transactions:



1.21 The Offer

As part of the Reinstatement Application, the Company is proposing to undertake a capital raising and associated share issues (**Public Offer**). The principal purposes of the Public Offer are to:

(a) comply with ASX's requirements for reinstatement to quotation of shares in the Company on ASX;

(b) provide funds for the purposes set out in section 1.24 below;

(c) provide the Company with access to equity capital markets for future funding needs; and

(d) enhance the public and financial profile of the Company to facilitate further growth of the Company's business.

The Public Offer will be made pursuant to the Prospectus which will be lodged with ASIC.

1.22 Offer conditions

The issue of Shares under the Public Offer will be conditional upon:

(a) ASX approving the Reinstatement Application and agreeing to reinstate Shares to quotation on ASX;

(b) the Company obtaining the shareholder approvals required to complete the Proposed Transactions including the Heat Acquisition and the Aware Acquisition which will support the Reinstatement Application (being the shareholder approvals to be sought at the General Meeting).

1.23 Offer management

The Company has engaged MST Financial Services Pty Ltd (**Lead Manager**) to manage the Public Offer and facilitate with the capital raise under the Public Offer. The Company has agreed to pay the Lead Manager a fee of 5% of the proceeds of the Offer and a discretionary performance fee of 0.5% of the proceeds of the Offer.

1.24 Use of funds

The Company intends to apply funds raised from the Public Offer as follows:

USE OF FUNDS	Minimum Subscription	Maximum Subscription
Marketing – brand establishment and delivery	$1,000,000	$2,500,000
Technology and R&D	$360,000	$500,000

Strategic investment – Actizyme brand acquisition	$2,500,000	$2,500,000
Manufacturing site consolidation (Aware) and manufacturing robotics, automation and equipment	$3,500,000	$7,100,000
Working Capital - RM stock, components, inventory	$6,473,000	$7,683,000
Debt Restructuring (including Westpac) (1)	$7,000,000	$10,000,000
Expenses of the Offer	$2,667,000	$3,217,000
Corporate advisory payment (Elevon)	$1,500,000	$1,500,000
TOTAL	$25,000,000	$35,000,000

Notes:

* The above statement of use of funds is indicative only and subject to the prevailing market conditions and other factors at the time of the Public Offer.

* The statement of the use of funds does not account for a non-cash expense of $400,000 which will be expensed on the Company's balance sheet to reflect the issue of Director Shares with a face value of $400,000 (as contemplated by Resolutions 19, 20 and 21).

(1) See section 1.17 for further information regarding the Westpac arrangements and refinancing of the Company's liability with Westpac. If alternative financing is not available an additional $4,000,000 may be required from these funds to pay out Westpac. This would result in a reduction in the funds otherwise available marketing and working capital.

1.25 Costs of the Offer

The Company anticipates that the costs of the of the Public Offer will be as follows:

Costs of offer	**Minimum Subscription**		**Maximum Subscription**	
	$	**%**	**$**	**%**
Legal fees	$200,000	7.50%	$200,000	6.22%
Independent accountant fees	$390,000	14.62%	$390,000	12.12%
Tax advisory fees	$39,000	1.46%	$39,000	1.21%
Audit and accounting fees	$253,000	9.49%	$253,000	7.86%

Project management fees	$48,000	1.80%	$48,000	1.49%
Lead Manager fees	$1,250,000	46.87%	$1,750,000	54.40%
Prospectus liability insurance	$100,000	3.75%	$100,000	3.11%
ASX listing fees	$172,000	6.45%	$172,000	5.35%
Prospectus design, printing and website	$50,000	1.87%	$50,000	1.55%
Share registry costs	$30,000	1.12%	$30,000	0.93%
Roadshow expenses	$10,000	0.37%	$10,000	0.31%
Other / contingency	$125,000	4.69%	$175,000	5.44%
Total	**$2,667,000**	**100.00%**	**$3,217,000**	**100.00%**

1.26 Advantages of undertaking the Proposed Transactions

The Board considers that the Proposed Transactions will result in a number of advantages for Shareholders, including:

(a) the Heat Acquisition represents an attractive investment and an opportunity for the Company;

(b) the Aware Acquisition represents an attractive investment and an opportunity for the Company;

(c) the Proposed Transactions will support the Reinstatement Application and reinstatement to quotation of shares in the Company on ASX based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules;

(d) there are currently no alternative options to the Proposed Transactions available to the Company and in the absence of completion of the Proposed Transactions the Company will have no material assets, business or operations; and

(e) the appointment of Garry Hounsell as Independent Non-executive Chairman will provide the Company with extensive industry experience and a proven track record.

1.27 Disadvantages of undertaking the Proposed Transactions

The Board considers that the Proposed Transactions may result in a number of disadvantages, as set out below, which Shareholders should consider prior to exercising their vote:

(a) change to the scale of activities of the Company: the manner in which the change to the scale of the Company's activities is being achieved may not be consistent with the objectives of all Shareholders;

(b) dilution of existing shareholdings in the Company: if the Proposed Transactions are completed and Shareholder approval is obtained by the Company under this Notice of Meeting for all the Resolutions, the issue of Shares under the Public Offer will have a significant dilutionary effect on the current Shareholders;

(c) re-compliance: if Shareholder approval is obtained for all Resolutions, the Company will remain suspended from the Official List of the ASX until such time as the ASX approves the Re-compliance Application. There is no guarantee that the Company will successfully complete the re-compliance or that the ASX will approve re-quotation the Shares of the Company upon passing of all the Resolutions; and

(d) increased exposure to wider array of risks: there are many risks associated with the proposed change to scale of activities of the Company. Some of these are explored in greater detail below.

1.28 Risks associated with the Proposed Transactions

There are risks associated with the Proposed Transactions, and the change in business activities which will be the result of the Proposed Transactions, which Shareholders should have regard to in deciding how to vote on the Resolutions. In the below risks, a reference to "Hiro" is a reference to the Company upon completion of the Proposed Transactions. These risks include:

(a) Access to funding

Hiro subsidiary entities have experienced variability in the amount and timing of operating cashflows to successfully execute its turnaround and growth plan and there is a risk that Hiro may experience further variability in its cash flow requirements.

Hiro may also require further funding in the future to execute its growth strategies. There is a risk that the Group may be unable to access debt or equity funding from the capital markets or is existing lenders on favourable terms, or at all.

(b) Failure to grow

There is a risk that Hiro will be unable to offer a sufficient number of successful new products which could potentially result in reduced or negative growth.

There is a risk that new Hiro products developed and launched to the market may be unprofitable not successful because they are not supported by sufficient market interest and purchases or otherwise not adequately marketed and fail to sell. There is also a risk that new products:

- waste operating costs;
- incur operating costs earlier than necessary or greater than forecast; and
- fail to meet retailer launch volume requirements and are subsequently delisted by the retail customers
- impact revenues of existing products to a greater extent than predicted.

(c) Product quality and safety

Personal care products that contain inferior or raw materials not to the correct specifications can affect the quality, stability and shelf life of the product. Furthermore it may affect the potency and efficacy of its purpose within the formula, resulting in unknown effects to the stability of the finished good.

An incident or threat of product contamination or the perception that such an incident has occurred may cause considerable reputational damage to Hiro and its brands from the perspective of its suppliers, customers, the general public and regulators, the loss of contracts for the supply of products and may also result in significant product recall costs, compensation payments and the payment of significant penalties. All of these circumstances may have a material and adverse effect on Hiro's revenue, profitability and growth.

(d) Competition

The majority of Hiro's branded products are sold in supermarkets , variety stores and pharmacies in Australia. Competition between retail chains is intense, leading to aggressive reviews of product mixes as well as increased moves towards own or private label products to improve retail margins. This situation is not unique to Hiro and affects suppliers of the vast majority of products stocked across supermarket and pharmacy chains.

New entrants into Hiro's market segment have the potential to cause market disruption across ours and competitors' brands as they bid to secure shelf space. This disruption has the potential to erode sales.

(e) Decrease in demand for Hiro's products

Hiro's current business and growth plans depend on there being an active market domestically and internationally for Hiro and private label products. Consequently, any decrease in demand for Hiro's products including due to changing consumer preferences and tastes, consumers substituting Hiro's products for competitor's products, product and price competition, performance and reliability, Hiro's reputation, changes in law or regulation or economic and market conditions, will adversely affect sales of Hiro and private label products

and may have a material and adverse effect on Hiro's revenue, profitability and growth.

(f) Integration risk

The integration of Aware Environmental and the Heat Group businesses carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations that were previously operated independently.

There is a risk that the integration of these businesses may encounter unexpected challenges or issues, including:

- possible difficulties in bringing together the cultures and management styles of both businesses in an effective manner;
- disruption to the ongoing operations of both businesses;
- higher than anticipated integration costs;
- impacts from the increase in scale of the businesses;
- integration of accounting and internal controls;
- unforeseen costs relating to the integration of some systems of the broader Hiro group; and
- unintended loss of key personnel or expert knowledge or reduce employee productivity due to uncertainty arising as a result of the amalgamation of the Aware and Heat businesses.

A failure to fully integrate these businesses as a result of any of the reasons above (or any other reason) could impose unexpected costs that may adversely affect the financial position, performance and prospects of Hiro.

(g) Brand and reputation

The Hiro group portfolio of brand names and intellectual property are key assets of the business. The reputation and value associated with these brands and related intellectual property could be adversely affected by a number of factors, including failing to provide customers with the quality of product they expect, disputes or litigation with third parties, employees, suppliers or customers, or adverse media coverage (including social media), or other circumstances including those beyond the direct control of Hiro.

Significant erosion in the reputation of, or value associated with Hiro brands and private label products, could have an adverse effect on customer loyalty, relationships with key suppliers, employee retention rates, and overall demand for Hiro products.

(h) General investment risk

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus.

There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if the Company earnings increase. Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity price changes or changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates; and
- general operational and business risks.

Other factors which may negatively affect investor sentiment and influence the Company specifically or the stock market more generally, include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events.

1.29 Personal advice

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions. If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Memorandum, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

1.30 Definitions

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1.31 Forward looking statements

The forward looking statements in this Notice of Meeting are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Board of Directors, which

could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Notice of Meeting. These risks include but are not limited to, the risks referred to below. Forward looking statements include those containing words such as “anticipate”, “estimates”, “should”, “will”, “expects”, “plans” or similar expressions.

1.32 Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions set out in the Notice of Meeting.

All Shareholders are invited and encouraged to attend the Meeting. If Shareholders are unable to attend in person, the **attached** Proxy Form should be completed, signed and returned to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person, but the person appointed as the proxy must then not exercise the rights conferred by the Proxy Form. If the Proposed Transactions and the other share issues are approved by Shareholders and then completed, the voting power of existing Shareholders will be diluted.

1.33 Not a Disclosure Document

This Explanatory Memorandum is not a disclosure document for the purpose of Chapter 6D of the Corporations Act. The Company proposes to issue a Prospectus in due course. Shareholders should have regard to that Prospectus in deciding whether to acquire or continue to hold Shares, but this Explanatory Memorandum contains all information material to the decision on how to vote on the Resolutions. Anyone who wants to acquire Shares will need to complete the application form that will accompany the Prospectus to be issued by the Company.

1.34 Disclaimer

No person is authorised to give any information or make any representation in connection with the Proposed Transactions which is not contained in this Explanatory Memorandum. Any information which is not contained in this Explanatory Memorandum may not be relied on as having been authorised by the Company or the Board in connection with the Proposed Transactions.

1.35 ASIC and ASX

A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX pursuant to the Corporations Act and ASX Listing Rules. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Memorandum.

1.36 Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Memorandum should be directed to the Company Secretary, Mr Hasaka Martin on +61 424 685 041.

2. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

2.1 General

Resolution 1 is to consolidate the Company's issued capital by converting every 65 Shares into 1 Share (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and enable the Company to satisfy Chapters 1 and 2 of the ASX Listing Rules and obtain reinstatement to quotation of Shares on ASX.

2.2 Corporations Act requirements and ASX Listing Rules

Section 254H of the Corporations Act provides that a company may, by resolution passed at a general meeting, convert all or any of its shares into a larger or smaller number of shares. The result of the Consolidation is that every 65 shares in the Company pre-Consolidation will be converted to 1 Share.

There are currently 135,409,259 shares on issue (prior to the issue of Shares contemplated in this Notice of Meeting) and the effect of the resolution is that they will be consolidated to 2,083,220 Shares.

2.3 Effective Date of the Consolidation

If Shareholders approve Resolution 1, the Consolidation will take effect on [19 August 2022] in accordance with the timetable set out in paragraph 7 of Appendix 7A of the ASX Listing Rules (**Effective Date**).

The Directors intend to implement the Consolidation prior to the completion of the Proposed Transactions, but it will only occur if:

(a) all conditions to the Proposed Transactions (other than the Consolidation) are satisfied or waived; and

(b) the Directors are of the view that all conditions to re-listing on ASX can be satisfied.

In practice, the Consolidation will occur when the Company receives a letter from ASX stating that the Company will be reinstated to quotation on ASX, subject to the usual conditions for such a reinstatement letter (all of which the Company will be able to satisfy). This will be after the General Meeting and after the close of the Public Offer and shortly before trading in Shares recommences.

2.4 Indicative Timetable for the Consolidation

The indicative timetable for the Consolidation in compliance with the ASX Appendix 3A.3 is set out below. Given the Company's securities are suspended from trading on the ASX, some of the items set out below (such as, last day of trading in pre-consolidation securities) will not be applicable, but have been included for completeness.

Event	Date
Announcement of the Consolidation using the ASX Appendix 3A.3 Despatch Notice of Meeting	21 July 2022
General Meeting held Announcement of Effective Date	19 August 2022
Effective Date of the Consolidation	19 August 2022
Last day trading in pre-consolidation securities	Not applicable
Commencement date of trading in post-consolidation securities on a deferred settlement basis, if agreed by ASX	Not applicable
Record Date Last day for the Company to register transfers on a pre-consolidation basis	24 August 2022
First day the Company updates its register and sends holding statements to security holders reflecting the change in the number of securities held	25 August 2022
Last day the Company updates its register and sends holding statements to security holders reflecting the change in the number of securities held Notifying ASX that register update and holding statements despatch have occurred	31 August 2022

2.5 Fractional entitlements

Fractions of a Share resulting from the Consolidation will be rounded down to the nearest whole Share. Each Shareholder's proportional interest in the Company's issued capital will remain unchanged as a result of the Consolidation (other than minor variations resulting from rounding).

2.6 Rights attaching to Shares

Shareholders will hold the same proportion of the Company's share capital and net assets before and after the Consolidation. The current rights attaching to the Shares will not be affected by the Consolidation.

2.7 Holding Statements

As from the Effective Date of the Consolidation, all holding statements for shares will cease to have any effect except as evidence of entitlement to a certain number of pre-Consolidation Shares. After the Consolidation becomes effective, the Company will despatch a notice to Shareholders advising them of the number of Shares held by each Shareholder both before and after the Consolidation. The Company will also arrange for new holding statements to be issued to Shareholders.

2.8 Effect on capital structure

The effect of the Consolidation on the capital structure of the Company is set out in section 1.6.

3. RESOLUTION 2 – APPROVAL OF CHANGE IN SCALE OF ACTIVITIES OF THE COMPANY

3.1 Background

This Resolution 2 seeks approval for the Company to change the scale of its activities which will result from completion of the Proposed Transactions.

3.2 ASX Listing Rule 11.1 and consequences of resolution passing or not passing

The Company is proposing to undertake the Heat Acquisition and Aware Acquisition on the terms and conditions set out in the Explanatory Memorandum, which will result in a significant change in the scale of the Company's activities. Because the Company has had a cosmetics, beauty and wellness business it will not affect the nature of the Company's activities.

In summary, ASX Listing Rule 11.1 provides that a listed company that proposes to make a significant change to the nature or scale of its activities must provide full details to ASX as soon as practicable and:

(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 to the change; and

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

ASX has informed the Company that, given the significant change in the scale of the activities of the Company upon completion of the Heat Acquisition and Aware Acquisition, it requires the Company to:

(a) obtain Shareholder approval for the proposed change of activities; and

(b) re-comply with the requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

Resolution 2 seeks the required shareholder approval for the Heat Acquisition and Aware Acquisition under and for the purposes of Listing Rule 11.1.2.

If Resolution 2 is passed, the Company will be able to proceed with the Heat Acquisition and Aware Acquisition.

If Resolution 2 is not passed, the Company will not be able to proceed with the Heat Acquisition and Aware Acquisition.

3.3 Information required by ASX Listing Rule 11.1.2

Details of the Proposed Transactions and changes to the structure and operations of the Company are set out in sections 1.1 to 1.28 of this Explanatory Memorandum.

3.4 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules – the Reinstatement Application

Shares in the Company have been suspended from trading on ASX since 1 February 2021 and will not be reinstated until approval by ASX of the Company's application for reinstatement to quotation of shares in the Company on ASX based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules (**Reinstatement Application**).

The principal requirements of Chapters 1 and 2 of the Listing Rules are that:

(a) the Company satisfies the ASX that its structure and operations are appropriate for a listed company;

(b) the Company prepares and issues a prospectus in accordance with the provisions of the Corporations Act;

(c) the Company has a free float of not less than 20% (at least 20% of the shares are held by persons who are not related to directors or substantial shareholders and not subject to escrow restrictions);

(d) the Company has obtained the requisite shareholder spread of 300 non-affiliated shareholders (each holding a marketable parcel of $2,000 worth of shares);

(e) subject to any exemptions granted by ASX, any new share issues are made at a minimum price of $0.20 per Share and any options on issue have an exercise price of no less than $0.20 per option;

(f) the Company satisfies the ASX Listing Rules test in relation to its asset value (the "assets test");

(g) the Company complies with Chapter 9 of the ASX Listing Rules in relation to any "restricted securities" it has on issue or is proposing to issue (the ASX escrow requirements); and

(h) the Company satisfies the ASX that each Director or proposed director of the Company is of good fame and character.

Shareholders should be aware that Shares will remain suspended by the ASX until ASX is satisfied that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules. It is the Company's intention to meet these requirements a soon as practicable after the General Meeting and following the completion of the Public Offer and Proposed Transactions.

The Company will make a formal application for reinstatement following the General Meeting and completion of the Public Offer (assuming all resolutions

are passed at the General Meeting and all conditions of the Public Offer are satisfied).

3.5 The Proposed Transactions: changes to the structure and operations of the Company

The acquisitions of Heat Group and Aware, the capital raising under the Public Offer and associated transactions will significantly change the structure and operations of the Company. Following completion of the Proposed Transactions the Company will be recapitalised, have a new Board of Directors, new senior management and a new business.

3.6 Expected ASX requirements for restricted securities / voluntary escrow

Compulsory escrow

The Company will apply to be reinstated to the Official List of ASX on the basis of the assets test. When this test is applied ASX will normally require that some of the Company's shares be subject to compulsory escrow. The Company expects that its Shares will be free from escrow upon completion of the Proposed Transactions on the basis that it will have a track record of revenue acceptable to ASX (one of the exceptions to the normal escrow requirements). While ASX retains a discretion over these matters it has provided guidance that to satisfy the requirement for an acceptable track record of revenue it must be a going concern or a successor of a going concern, have conducted the same business activity during the last 3 full financial years, have aggregated revenue for the last 3 financial years of at least $20 million, be raising at least $20 million and have a market capitalisation of over $100,000,000.

Voluntary escrow

In any event, in accordance with general market expectations, the Company expects to apply a period of voluntary escrow (anticipated to be 12 months) to Shares issued before or in connection with the Public Offer. The Company expects that the following parties (and respective numbers of Shares) will be subject to 12-month voluntary escrow:

Shareholder / Shareholder Group	**Number of Shares subject to escrow**	**% total Shares on issue (assuming Minimum Subscription)**
Heat Holdings (including existing shares held and shares issued to it in connection with the Heat Group and Aware acquisitions)	26,299,381	46.67%
Shares issued to Aware Vendors upon conversion of Aware Convertible Notes	214,480	0.38%

Shares issued to Aware Related Party Creditors upon the conversion of RPC Convertible Notes	4,075,118	7.23%
Shares issued to Elevon upon the conversion of Elevon Convertible Notes	953,846	1.69%
Seed Investors (who are related parties) (1)	9,591,339	17.02%
Director Shares (issued to Mr David Botta, Mr Steven Chaur and Mr Chris Zondanos)	256,666	0.46%
TOTAL		73.45%
ANTICIPATED FREE FLOAT		26.55%

Note:

(1) All Seed Investors who are related parties and who are issued Shares upon conversion of their Seed Investor Convertible Notes will be subject to 12-month voluntary escrow. This includes the 2,716,377 Shares to be held by Cattermole and Cattermole Associates (directly) and the 5,334,968 Shares to be held by the BIA Fund (directly). See section 9 for further information.

(2) It is possible that ASX will not accept the Company's submissions and require compulsory escrow in accordance with Chapter 9 and Appendix 9B of the ASX Listing Rules. The effect of that would be that the persons disclosed above would still be subject to escrow but in a number of cases the period of escrow would be different – in most cases 2 years rather than 1 year.

4. RESOLUTIONS 3 TO 5 – APPROVAL OF THE ACQUISITION OF HEAT GROUP AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS

4.1 Introduction

On or around 1 July 2022 the Company as the purchaser and Heat Holdings as the vendor, entered into an agreement (**Heat Acquisition Agreement**) under which the Company will purchase 20,000 of the fully paid ordinary shares on issue in the capital of Heat Group (which represents approximately 98% of the shares in Heat Group) (**Heat Shares**)) from Heat Holdings (**Heat Acquisition**).

Under the Heat Acquisition Agreement, the purchase price for the Heat Shares is $12,610,000 to be satisfied by the issue of 25,044,687 Shares to Heat Holdings at $0.50350 per Heat Share.

The Heat Acquisition is otherwise on terms and conditions which are conventional for a private treaty sale and purchase of shares, including warranties and indemnities given by Heat Holdings as the vendor. The Heat Acquisition is on an "as is" basis and there is no adjustment to the purchase price for working capital, debt or cash.

Completion under the Heat Acquisition Agreement is expected to occur when the Company receives a letter from ASX stating that the Company will be reinstated to quotation on ASX, subject to the usual conditions for such a reinstatement letter (all of which the Company will be able to satisfy). This will be after the General Meeting and after the close of the Public Offer and shortly before trading in Shares recommences.

4.2 General

This Notice of Meeting has been prepared to seek shareholder approval for the matters required to complete the Heat Acquisition.

Resolutions 3 – 5 seek Shareholder approval for the purposes of sections 208 and section 611 (item 7) of the Corporations Act and ASX Listing Rules 10.1 and 10.11 for the acquisition of a substantial asset from a related party of the Company and the issue of the Shares to a related party of the Company.

If Resolutions 3 – 5 are passed, the Company will be able to proceed with the issue of the Shares to Heat Holdings and complete the Heat Acquisition.

If Resolutions 3 – 5 are not passed, the Company will not be able to proceed with the issue of the Shares to Heat Holdings and will not be able complete the Heat Acquisition.

4.3 Independent Expert's Report

ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert stating the expert's opinion as to whether the transaction is fair and reasonable to the holders of the company's ordinary securities whose votes in favour of the transaction are not to be disregarded. Similarly, an

independent expert's report is required for resolutions pursuant to section 611 (item 7) and Chapter 2E of the Corporations Act.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Heat Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolutions 3 – 5.

The Independent Expert has concluded that the Heat Acquisition is **FAIR AND REASONABLE** to the non-associated Shareholders.

The Independent Expert's Report also provides commentary on the financial benefits to be given to related parties of the Company for the purposes of section 219 of the Corporations Act. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

4.4 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons:

(a) a related party of the entity;

(b) a substantial holder of the entity; or

(c) an associate of a substantial holder of the entity,

without the prior approval of holders of the entity's ordinary shareholders.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Independent Expert has valued the Company (upon completion of the Proposed Transactions, including the acquisitions of the Heat Group and Aware) as being between $29,030,520 and $40,530,520 (see section 9.6 of the Independent Expert's Report), and therefore, the Heat Group itself (the subject of these Resolutions) constitutes a substantial asset.

Related parties

Heat Holdings is an Australian propriety company that was incorporated on 15 July 2019. Heat Holdings is currently a 50.2% shareholder in the Company. Heat Holdings also shares some common directorship with the Company.

Therefore, Heat Holdings will be considered to be a related party of the Company by operation of sections 228(1) and 228(2) of the Corporations Act.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Heat Acquisition will result in the acquisition of a substantial asset from a related party of the Company. The Company is therefore required to seek Shareholder approval under ASX Listing Rule 10.1.

As stated above, ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert. Shareholders are urged to carefully read the Independent Expert's Report annexed to this Notice.

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 ASX Listing Rule 10.12 applies.

As the issue of the Shares involves the issue of securities to a related party of the Company (Heat Holdings), shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.6 Section 208 of the Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The acquisition of Heat Group and the issue of Shares may constitute giving a financial benefit and Heat Holdings is a related party as explained above.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. This Resolution therefore requires the approval of the Company's shareholders under section 208 of the Corporations Act.

Sections 218(b) and 219 of the Corporations Act require the notice of meeting for a meeting of shareholders to approve the giving of a financial benefit to a related party to be accompanied by an explanatory statement containing the technical information included in section 4.8 below. In order to satisfy some of these requirements the Independent Expert's Report provides commentary on

the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

4.7 Section 611 (Item 7) of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (**Section 606 Prohibition**). As set out below, prior to the Share issue contemplated by this Resolution (and the other Resolutions in this Notice of Meeting), Heat Holdings (and in turn, by Cattermole and Cattermole Associates and the BIA Fund) has a 50.2% interest in the Company, and therefore this Resolution contemplates a further increase in this holding, although Heat Holding's holding will subsequently be diluted to below its initial holding pursuant to the other Share issues contemplated in this Notice of Meeting (explained further below).

The voting power of a person in a body corporate is determined under section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Section 608 of the Corporations Act states that a person has a relevant interest in securities if they:

(a) are the holder of the securities; or

(b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

(c) have power to dispose of, or control the exercise of power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Cattermole and Cattermole Associates and the BIA Fund are substantial holders in Heat Holdings. Cattermole and Cattermole Associates and the BIA Fund have substantial holdings in Heat Holdings of 48.2% and 42.6% respectively. As a result, pursuant to section 608(3)(a) of the Corporations Act, they in turn have an indirect relevant interest in the voting power that Heat Holdings has in the Company. As a result, the approval sought in this Resolution pursuant to section 611 (item 7) of the Corporations is being sought in respect of Heat Holdings, as well as Cattermole and Cattermole Associates and the BIA Fund.

There are various exceptions to the Section 606 prohibition, including under section 611 (item 7) of the Corporations Act. Section 611 (item 7) of the Corporations Act provides an exception to the Section 606 Prohibition, in circumstances where the shareholders of the company approve an acquisition of a relevant interest in the company at a meeting at which no votes are cast by the acquirer of the relevant interest and the person from whom the acquisition is to be made.

Immediately upon the issue of Shares to Heat Holdings (and assuming none of the other Shares issued contemplated by the Proposed Transactions have taken place) there will be 27,336,447 Shares on issue (on a post Consolidation basis) and Heat Holdings will hold 26,084,901of these Shares (equating to 95.42%). However, upon the issue of the other share issues contemplated by the Proposed Transactions (which in practical terms will occur simultaneously), there will be a total of 56,353,238 Shares on issue (on a post Consolidation basis and assuming Minimum Subscription under the Public Offer) and Heat Holdings will hold 26,299,381 of these Shares. As a result, Heat Holdings ultimate interest in Shares of the Company will upon completion of the Proposed Transactions will increase from 1,046,154 (equating to 50.2%) to 26,299,381 (equating to 46.7%).

The initial increase in voting power would breach the Section 606 prohibition and for this reason, the Company is seeking Shareholder approval for the purposes of section 611 (item 7) of the Corporations Act to permit the Company to issue the Shares to Heat Holdings.

4.8 Technical information required by section 219 of the Corporations Act and ASX Listing Rules 10.5 and 10.13

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASIC Regulatory Guide 76, and ASX Listing Rule 10.5 and 10.13, the following information is provided in relation to Resolutions 3 – 5.

Section 219 and ASIC RG 76

(a) The related party to whom the financial benefit will be given is Heat Holdings. Associates and persons who have interests in Heat Holdings (being Cattermole and Cattermole Associates and the BIA Fund) will also receive an indirect financial benefit.

(b) The nature of the financial benefit is the acquisition of shares in Heat Group and the issue of 25,044,687 Shares.

(c) The financial benefit is not capable of being valued. The definition of "financial benefit" in Chapter 2E of the Corporations Act is very broad and captures circumstances that might not otherwise be regarded as a benefit. commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the

transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

(d) Heat Holdings (prior to the issue of shares pursuant to this Resolution) and its related entities currently hold 1,046,154 Shares (on a post Consolidation basis).

(e) If the Shares are issued, this will increase the number of Shares on issue from 2,083,220 to 56,353,238 on a post Consolidation basis and assuming Minimum Subscription under the Public Offer (and assuming that all other share issues contemplated by the Proposed Transaction have occurred) with the effect that the shareholdings of existing Shareholders would be diluted. Examples showing the effect of the dilution (to shareholders holding 100,000 and 1,000,000 shares) are set out in the table below:

Shares held (post Consolidation)	**%** **Before the Proposed Transactions**	**%** **After the Proposed Transactions**
100,000	4.80%	0.17%
1,000,000	48.00%	1.68%

(f) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Not applicable – the Company's securities have been suspended from trading since 1 February 2021.

(g) Paul Docherty declines to make a recommendation to Shareholders in relation to Resolutions 3 – 5 due to his material personal interest in the outcome of the Resolutions on the basis that he is a director of Heat Holdings who will sell shares in Heat Group and be issued with Shares.

(h) David Botta declines to make a recommendation to Shareholders in relation to Resolutions 3 – 5 due to his material personal interest in the outcome of the Resolutions on the basis that has been a director of Heat Holdings in the last 6 months who will sell shares in Heat Group and be issued with Shares.

(i) Lyndsey Cattermole declines to make a recommendation to Shareholders in relation to Resolutions 3 – 5 due to her material personal interest in the outcome of the Resolutions on the basis that she owns shares in an entity (Alcatt) that in turn owns shares in Heat Holdings who will sell shares in Heat Group and be issued with Shares.

(j) Garry Hounsell does not have a material personal interest in the outcome of Resolutions 3 – 5 and recommends that Shareholders vote in favour of Resolutions for the reasons set out in section 1.26.

(k) Amber Collins does not have a material personal interest in the outcome of Resolutions 3 – 5 and recommends that Shareholders vote in favour of Resolutions for the reasons set out in section 1.26.

(l) Steven Chaur does not have a material personal interest in the outcome of Resolutions 3 – 5 and recommends that Shareholders vote in favour of Resolutions for the reasons set out in section 1.26.

(m) There are currently no alternative options to the Proposed Transactions available to the Company.

(n) The impact on the Company of the Proposed Transactions in general and the Acquisition in particular are set out in sections 1.1 to 1.28 of this Explanatory Memorandum.

ASX Listing Rule 10.5

(a) The name of the party from which the Company is acquiring the substantial asset: Heat Holdings.

(b) Heat Holdings is a related party of the Company for the purposes of ASX Listing Rule 10.1.1.

(c) The asset being acquired is the Heat Shares. See section 4.1.

(d) The consideration for the acquisition of the Heat Shares is the issue of 25,044,687 Shares. See section 4.1.

(e) No funds will be required to pay for the acquisition of the Heat Shares.

(f) The timetable for completing the acquisition is set out in section 1.4.

(g) A summary of the material terms of the agreement for the acquisition of the Heat shares is set out in section 4.1 and in sections 1.1 to 1.28 above.

(a) The Independent Expert's Report provides an assessment of the financial benefits to be given to Heat Holdings and the potential costs and detriments to the Company of giving the benefits. Shareholders are urged to carefully read the Independent Expert’s Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

ASX Listing Rule 10.13

(a) The consideration Shares will be issued to Heat Holdings.

(b) Heat Holdings is a party covered in ASX Listing Rules 10.11.1 and 10.11.2.

(c) The number of securities to be issued to Heat Holdings for the acquisition of the Heat Shares is the issue of 25,044,687 Shares in the Company.

(d) The consideration Shares are to be fully paid ordinary securities in the same class and with the same terms as the existing ordinary shares on issue in the Company.

(e) The consideration 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) and it is intended that issue of the consideration Shares will occur on the same date.

(f) The Shares will be issued for nil cash consideration as they represent consideration for the Heat Acquisition, accordingly no funds will be raised.

(g) The purpose of the issue of the Shares is consideration for the Heat Acquisition.

(h) The material terms of the Heat Acquisition Agreement, a timetable for the proposed Heat Acquisition and details of the Heat Group (i.e., the asset being acquired) are set out in sections 1.1 to 1.28 above.

ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares as approval is being obtained under ASX Listing Rules 10.1 / 10.5 and 10.11 / 10.13. Accordingly, the issue of Shares to Heat Holdings will not be included in calculations of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Section 611 (item 7) and ASIC RG 74

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74: Acquisitions approved by members (RG74).

(a) Explanation of the reasons for the proposed acquisition

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(b) When the proposed acquisition is to occur

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(c) The material terms of the proposed acquisition

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(d) Maximum extent of the increase in the recipient's (being Heat Holdings and its associates and persons who have interests in Heat Holdings

being Cattermole and Cattermole Associates and the BIA Fund) voting power in the Company

See the table in section 1.9 for a detailed summary of the expected voting power of Heat Holdings and each of its associates and other persons who have a relevant interest in Heat Holdings (being Cattermole and Cattermole Associates and the BIA Fund).

(e) Voting power the recipient (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) would have as a result of the acquisition and the maximum extent of the increase in the voting power of the recipient's relevant associates that would result from the acquisition

Please refer to the table above and the table in section 1.9.

(f) The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution.

Except as set out in this Notice (in sections 1.1 to 1.28) the recipient (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) does not currently have:

(i) any intention to change the business of the entity;

(ii) any intention to inject further capital into the entity;

(iii) any intentions regarding the future employment of present employees of the entity;

(iv) any proposal where assets will be transferred between the entity and

(v) either he or any of his associates; or

(vi) any intention to otherwise redeploy the fixed assets of the entity.

(g) Any intention of the recipient to significantly change the financial or dividend distribution policies of the Company

The recipients (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) have no intention in this respect and the Board advises that a dividend is not presently paid by the Company and there is no foreseeable change to this policy.

(h) Recommendation of each Director as to whether Shareholders should approve the Resolution

The Directors (other than those associated with Heat Holdings who have a material personal interest in this Resolution) recommend each Shareholder approve this Resolution for the reasons set out in section 1.26.

(i) An analysis of whether the acquisition the subject of this Resolution is fair and reasonable to the non-associated Shareholders

The Independent Expert has concluded that the issue of the Shares is FAIR AND REASONABLE to the non-associated Shareholders. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

4.9 Other information

Other information in relation to the Heat Acquisition such as indicative timetable, advantages and disadvantages and risks can be found in section 1.1 to 1.28 of this Explanatory Memorandum.

5. RESOLUTIONS 6, 7 AND 8 – APPROVAL OF THE ACQUISITION OF AWARE AND ISSUE OF CONSIDERATION SHARES TO HEAT HOLDINGS

5.1 Introduction

Heat Holdings holds substantially all of the issued shares in Aware. This was achieved by Heat Holdings as follows:

(a) Heat Holdings was issued with 50,000,000 new shares in Aware pursuant to the terms of a Share Purchase Agreement dated on or around 18 October 2021 for a subscription price of $100,000 (**Initial Aware SPA**); and

(b) Heat Holdings acquired the shares in Aware held by majority shareholders (who held approximately 93.25% of the shares in Aware) (**Aware Vendors**) pursuant to a Share Purchase Agreement entered into on or about 15 April 2022 (**New Aware SPA**) (which superseded and replaced the Initial Aware SPA). The consideration payable under the New Aware SPA was satisfied by Heat Holdings procuring that the Company issue convertible notes to the Aware Vendors. To this end, Heat Holdings procured that the Company issue 243,709convertible notes to the Aware Vendors which convert into Shares on the Company's successful reinstatement to the Official List of the ASX (**Aware Vendor Convertible Notes**). The Aware Vendor Convertible Notes have an aggregate face value of $243,709and convert into 214,480 Shares. Approval of the issue of the Aware Vendor Convertible Notes is the subject of Resolution 9.

It is now proposed that the Company will acquire the shares in Aware from Heat Holdings by exercising a series of options (collectively, the **Aware Options**):

(a) Option 1 – On or around 18 October 2021, Heat Holdings granted the Company an option to acquire the 50,000,000 shares acquired by Heat Holdings under the Initial Aware SPA (**Aware Option 1**) (**Aware Option Agreement 1**). The exercise price for the Aware Option 1 is $100,000 plus 5% which is payable by the Company issuing 208,540 Shares to Heat Holdings at a price of $0.50350 per Share; and

(b) Option 2 – On or around 14 April 2022, Heat Holdings granted the Company an option to acquire all of the shares acquired by it under the New Aware SPA (**Aware Option 2**) (**Aware Option Agreement 2**). The exercise price for the Aware Option 2 is the amount equal to the consideration paid by Heat Holdings under the New Aware SPA plus 5%. That amount will be satisfied as follows:

(i) the Company will set-off the amount owed by Heat Holdings to the Company as a result of the Company issuing the Aware Vendor Convertible Notes to the Aware Vendors as consideration under the New Aware SPA; and

(ii) the 5% will be paid by the Company in cash to Heat Holdings.

The Company intends to exercise the Aware Options to acquire Aware (**Aware Acquisition**). The Company must obtain shareholder approval before exercising the Aware Options and issuing the consideration Shares in itself to Heat Holdings.

The Aware Acquisition is on an "as is" basis and there is adjustment to the purchase price for working capital, debt or cash.

Completion under the Aware Acquisition is expected to occur when the Company receives a letter from ASX stating that the Company will be reinstated to quotation on ASX, subject to the usual conditions for such a reinstatement letter (all of which the Company will be able to satisfy). This will be after the General Meeting and after the close of the Public Offer and shortly before trading in Shares recommences.

5.2 General

This Notice of Meeting has been prepared to seek shareholder approval for the matters required to complete the Aware Acquisition. Resolutions 6 – 8 seek Shareholder approval for the purposes of sections 208 and section 611 (item 7) of the Corporations Act and ASX Listing Rules 10.1 and 10.11 for the acquisition of a substantial asset from a related party of the Company and the issue of consideration Shares to a related party of the Company.

If Resolutions 6 – 8 are passed, the Company will be able to proceed with the issue of the Shares to Heat Holdings and complete the Aware Acquisition.

If Resolutions 6 – 8 are not passed, the Company will not be able to proceed with the issue of the Shares to Heat Holdings and will not be able complete the Aware Acquisition.

5.3 Independent Expert's Report

ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert. Similarly, an independent expert's report is required for resolutions pursuant to section 611 (item 7) and Chapter 2E of the Corporations Act.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Aware Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolutions 6 – 8.

The Independent Expert has concluded that the Heat Acquisition is **FAIR AND REASONABLE** to the non-associated Shareholders.

The Independent Expert's Report also provides commentary on the financial benefits to be given to related parties of the Company for the purposes of section 219 of the Corporations Act. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

5.4 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons:

(a) a related party of the entity;

(b) a substantial holder of the entity; or

(c) an associate of a substantial holder of the entity,

without the prior approval of holders of the entity's ordinary shareholders.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Independent Expert has valued the Company (upon completion of the Proposed Transactions, including the acquisitions of the Heat Group and Aware) as being between $29,030,520 and $40,530,520 (see section 9.6 of the Independent Expert's Report), and therefore, Aware itself (the subject of this Resolution) constitutes a substantial asset.

Related parties

Heat Holdings is an Australian propriety company that was incorporated on 15 July 2019. Heat Holdings is currently a 50.2% shareholder in the Company. Heat Holdings also shares some common directorship with the Company.

Therefore, Heat Holdings will be considered to be a related party of the Company by operation of sections 228(1) and 228(2) of the Corporations Act.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Aware Acquisition will result in the acquisition of a substantial asset from related parties of the Company. The Company is therefore required to seek Shareholder approval under ASX Listing Rule 10.1.

As stated above, ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert. Shareholders are urged to carefully read the Independent Expert's Report annexed to this Notice.

5.5 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 ASX Listing Rule 10.12 applies.

As the issue of the Shares involves the issue of securities to a related party of the Company (Heat Holdings), shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.6 Section 208 of the Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The acquisition of the Aware Shares and the issue of Shares may constitute giving a financial benefit and Heat Holdings is a related party as explained above.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. This Resolution therefore requires the approval of the Company's shareholders under section 208 of the Corporations Act.

Sections 218(b) and 219 of the Corporations Act require the notice of meeting for a meeting of shareholders to approve the giving of a financial benefit to a related party to be accompanied by an explanatory statement containing the technical information included in section 5.8 below. In order to satisfy some of these requirements the Independent Expert's Report provides commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

5.7 Section 611 (Item 7) of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (Section 606 Prohibition). As set out below, prior to the Share issue contemplated by this Resolution (and the other Resolutions in this Notice of

Meeting), Heat Holdings (and in turn, by Cattermole and Cattermole Associates and the BIA Fund) has a 50.2% interest in the Company, and therefore this Resolution contemplates a further increase in this holding (however, ultimately Heat Holding's holding will be diluted to below its initial holding pursuant to the other Share issues contemplated in this Notice of Meeting).

The voting power of a person in a body corporate is determined under section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Section 608 of the Corporations Act states that a person has a relevant interest in securities if they:

(a) are the holder of the securities; or

(b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

(c) have power to dispose of, or control the exercise of power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Cattermole and Cattermole Associates and the BIA Fund are substantial holders in Heat Holdings. Cattermole and Cattermole Associates and the BIA Fund have substantial holdings in Heat Holdings of 48.2% and 42.6% respectively. As a result, pursuant to section 608(3)(a) of the Corporations Act, they in turn have an indirect relevant interest in the voting power that Heat Holdings has in the Company. As a result, the approval sought in this Resolution pursuant to section 611 (item 7) of the Corporations is being sought in respect of Heat Holdings, as well as Cattermole and Cattermole Associates and the BIA Fund.

There are various exceptions to the Section 606 prohibition, including under section 611 (item 7) of the Corporations Act. Section 611 (item 7) of the Corporations Act provides an exception to the Section 606 Prohibition, in circumstances where the shareholders of the company approve an acquisition of a relevant interest in the company at a meeting at which no votes are cast by the acquirer of the relevant interest and the person from whom the acquisition is to be made.

Immediately upon the issue of Shares to Heat Holdings (and assuming none of the other Shares issued contemplated by the Proposed Transactions have taken place) there will be 27,336,447 Shares on issue (on a post Consolidation basis) and Heat Holdings will hold 26,299,381 of these Shares (equating to 96.2%). However, upon the issue of the other share issues contemplated by the Proposed Transactions (which in practical terms will occur simultaneously), there will be a total of 56,353,238 Shares on issue (on a post Consolidation basis and assuming Minimum Subscription under the Public Offer) and Heat Holdings will hold 26,299,381 of these Shares. As a result, Heat Holdings

ultimate interest in Shares of the Company will upon completion of the Proposed Transactions will increase from 1,046,154 (equating to 50.2%) to 26,299,381 (equating to 46.7%).

The initial increase in voting power would breach the Section 606 prohibition and for this reason, the Company is seeking Shareholder approval for the purposes of section 611 (item 7) of the Corporations Act to permit the Company to issue the Shares to Heat Holdings.

5.8 Technical information required by section 219 of the Corporations Act and ASX Listing Rules 10.5 and 10.13

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASIC Regulatory Guide 76, and ASX Listing Rule 10.5 and 10.13, the following information is provided in relation to Resolutions 6 – 8.

Section 219 and ASIC RG 76

(a) The related party to whom the financial benefit will be given is Heat Holdings. Associates and persons who have interests in Heat Holdings (being Cattermole and Cattermole Associates and the BIA Fund) will also receive an indirect financial benefit.

(b) The nature of the financial benefit is the acquisition of the Aware Shares and the issue of 208,540 Shares.

(c) The financial benefit is not capable of being valued. The definition of "financial benefit" in Chapter 2E of the Corporations Act is very broad and captures circumstances that might not otherwise be regarded as a benefit. The Independent Expert's Report provides commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

(d) Heat Holdings (prior to the issue of shares pursuant to this Resolution) and its related entities currently hold 1,046,154 Shares (on a post Consolidation basis).

(e) If the Shares are issued, this will increase the number of Shares on issue from 2,083,220 to 56,353,238 on a post Consolidation basis and assuming Minimum Subscription under the Public Offer (and assuming that all other share issues contemplated by the Proposed Transaction have occurred) with the effect that the shareholding of existing Shareholders would be diluted. Examples showing the effect of the dilution (to shareholders holding 100,000 and 1,000,000 shares) are set out in the table below as set out in the table below:

Shares held (post Consolidation)	% Before the Proposed Transactions	% After the Proposed Transactions
100,000	4.80%	0.17%
1,000,000	48.00%	1.68%

(f) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Not applicable – the Company's securities have been suspended from trading since 1 February 2021.

(g) Paul Docherty declines to make a recommendation to Shareholders in relation to Resolutions 6 – 8 due to his material personal interest in the outcome of the Resolutions on the basis that he is a director of Heat Holdings who will sell the Aware Shares and be issued with the Shares.

(h) David Botta declines to make a recommendation to Shareholders in relation to Resolutions 6 – 8 due to his material personal interest in the outcome of the Resolutions on the basis that has been a director of Heat Holdings in the last 6 months who will sell the Aware Shares and be issued with the Shares.

(i) Lyndsey Cattermole declines to make a recommendation to Shareholders in relation to Resolutions 6 – 8 due to her material personal interest in the outcome of the Resolutions on the basis that she owns shares in an entity that in turn owns shares in Heat Holdings who will sell the Aware Shares and be issued with the Shares.

(j) Garry Hounsell does not have a material personal interest in the outcome of Resolutions 6 – 8 and recommends that Shareholders vote in favour of the Resolutions for the reasons set out in section 1.26.

(k) Amber Collins does not have a material personal interest in the outcome of Resolutions 6 – 8 and recommends that Shareholders vote in favour of the Resolutions for the reasons set out in section 1.26.

(l) Steven Chaur does not have a material personal interest in the outcome of Resolutions 6 – 8 and recommends that Shareholders vote in favour of the Resolutions for the reasons set out in section 1.26.

(m) There are currently no alternative options to the Proposed Transactions available to the Company.

(n) The impact on the Company of the Proposed Transactions in general and the Acquisition in particular are set out in sections 1.1 to 1.28 of this Explanatory Memorandum.

ASX Listing Rule 10.5

(a) The name of the party from which the Company is acquiring the substantial asset: Heat Holdings.

(b) Heat Holdings is a related party of the Company for the purposes of ASX Listing Rule 10.1.1.

(c) The asset being acquired is the shares in Aware. See section 5.1.

(d) The consideration for the acquisition of the Aware Shares is the issue of 208,540 Shares. See section 5.1.

(e) No funds will be required to pay for the acquisition of the Aware Shares.

(f) The timetable for completing the acquisition is set out in section 1.4.

(g) A summary of the material terms of the agreement for the acquisition of the Aware shares is set out in section 5.1 and in sections 1.1 to 1.28 above.

(a) The Independent Expert's Report provides an assessment of the financial benefits to be given to Heat Holdings and the potential costs and detriments to the Company of giving the benefits. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

ASX Listing Rule 10.13

(a) The consideration Shares will be issued to Heat Holdings.

(b) Heat Holdings is a party covered in ASX Listing Rules 10.11.1 and 10.11.2.

(c) The number of securities to be issued to Heat Holdings for the acquisition of the Aware Shares is the issue of 208,540 Shares in the Company.

(d) The consideration Shares are to be fully paid ordinary securities in the same class and with the same terms as the existing ordinary shares on issue in the Company.

(e) The consideration 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) and it is intended that issue of the consideration Shares will occur on the same date.

(f) The Shares will be issued for nil cash consideration as they represent consideration for the Aware Acquisition, accordingly no funds will be raised.

(g) The purpose of the issue of the Shares is consideration for the Aware Acquisition.

(h) The material terms of the Aware Acquisition Agreement, a timetable for the proposed Aware Acquisition and details of Aware (i.e., the asset being acquired) are set out in sections 1.1 to 1.28 above.

ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares as approval is being obtained under ASX Listing Rules 10.1 / 10.5 and 10.11 / 10.13. Accordingly, the issue of Shares to Heat Holdings will not be included in calculations of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Section 611 (item 7) and ASIC RG 74

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74: Acquisitions approved by members (RG74).

(a) Explanation of the reasons for the proposed acquisition

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(b) When the proposed acquisition is to occur

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(c) The material terms of the proposed acquisition

Please refer to sections 1.1 to 1.28 of this Explanatory Statement.

(d) Maximum extent of the increase in the recipient's (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) voting power in the Company

See the table in section 1.9 for a detailed summary of the expected voting power of Heat Holdings and each of its associates and other persons who have a relevant interest in Heat Holdings (being Cattermole and Cattermole Associates and the BIA Fund).

(e) Voting power the recipient (being Heat Holdings and its associates and persons who have interests in Heat Holdings being each of Margaret Lyndsey Cattermole, Alcatt and the BIA Fund) would have as a result of the acquisition and the maximum extent of the increase in the voting power of the recipient's relevant associates that would result from the acquisition

Please refer to the table above and the table in section 1.9.

(f) The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution.

Except as set out in this Notice (in sections 1.1 to 1.28) the recipient (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) does not currently have:

(i) any intention to change the business of the entity;

(ii) any intention to inject further capital into the entity;

(iii) any intentions regarding the future employment of present employees of the entity;

(iv) any proposal where assets will be transferred between the entity and

(v) either he or any of his associates; or

(vi) any intention to otherwise redeploy the fixed assets of the entity.

(g) Any intention of the recipient to significantly change the financial or dividend distribution policies of the Company

The recipient (being Heat Holdings and its associates and persons who have interests in Heat Holdings being Cattermole and Cattermole Associates and the BIA Fund) has no intention in this respect and the Board advises that a dividend is not presently paid by the Company and there is no foreseeable change to this policy.

(h) Recommendation of each Director as to whether Shareholders should approve the Resolution

The Directors (other than those associated with Heat Holdings who have a material personal interest in this Resolution) recommend each Shareholder approve this Resolution for the reasons set out in section 1.26.

(i) An analysis of whether the acquisition the subject of this Resolution is fair and reasonable to the non-associated Shareholders

The Independent Expert has concluded that the issue of the Shares is FAIR AND REASONABLE to the non-associated Shareholders. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

5.9 Other information

Other information in relation to the Aware Acquisition such as indicative timetable, advantages and disadvantages and risks can be found in section 1.1 to 1.28 of this Explanatory Memorandum.

6. RESOLUTION 9 – APPROVAL OF THE ISSUE OF SHARES UPON THE CONVERSION OF AWARE VENDOR CONVERTIBLE NOTES

6.1 Introduction

Heat Holdings purchased a portion of the Aware shares it is selling to the Company pursuant to the New Aware SPA. The consideration payable under the New Aware SPA was satisfied by Heat Holdings procuring that the Company issue convertible notes to the Aware Vendors. To this end, Heat Holdings procured that the Company issue 243,709convertible notes to the Aware Vendors which convert into equity in the Company upon the Company's successful readmission to the Official List of ASX (**Aware Vendor Convertible Notes**). The Aware Vendor Convertible Notes have an aggregate face value of $243,709 and convert into 214,480 Shares in the Company.

This Resolution seeks Shareholder approval to issue up to 214,480 Shares (or such lesser number as the Board approves) on a post Consolidation basis to the Aware Vendors upon conversion of their Aware Vendor Convertible Notes.

6.2 Convertible Notes

The Aware Vendors hold convertible notes which were issued by the Company in exchange the Aware Vendors selling their Aware shares to Heat Holdings. The Aware Vendor Convertible Notes were issued on the following key terms and conditions:

(a) Issuer of the Aware Vendor Convertible Notes – the Company;

(b) Deemed issue price – $1.00 per note;

(c) Conversion rate – the 243,709 Aware Vendor Convertible Notes in aggregate convert into 0.5% of the capital in the Company immediately prior to the Public Offer (i.e., 0.5% of the capital of the Company after the issue of all of the Shares contemplated in this Notice of Meeting, except for those to be issued pursuant to the Public Offer), which equates to 214,480 Shares. This equates to a conversion price of $1.14 per Share. See table below; and

(d) The Aware Vendor Convertible Notes are unsecured.

The table below shows the details of the Aware Vendor Convertible Notes held:

Noteholder	Number of notes held	Shares post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price per Share
GIBA INVESTMENTS PTY LTD	138621	121996	$1.14

Noteholder	Number of notes held	Shares post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price per Share
MCPHERSON'S LIMITED	25755	22666	$1.14
ERAWA PTY LTD	17652	15535	$1.14
478 NOMINEES PTY LTD	19389	17064	$1.14
IAIN CHANEY	9572	8424	$1.14
SDM GLOBAL PTY LTD	8585	7555	$1.14
ANDREW CHANEY & LINDA CHANEY	6181	5440	$1.14
BEI WANG	1288	1133	$1.14
UYEN NGUYEN PHUONG TON	1274	1121	$1.14
MICHAEL VAN ECK	1012	891	$1.14
PETER SKARSHEWSKI	901	793	$1.14
ELIZABETH SHARSHEWSKI	901	793	$1.14
EGEA PTY LTD	5041	4437	$1.14
ESTELLE VILLABOLOS	258	227	$1.14
HINDSIGHT MARKETING PTY LTD	172	152	$1.14
HAROLD IGNATUS WILLIAMS & ANGELA JILL WILLIAMS	124	109	$1.14
DARON JOHN THOMPSON &	64	57	$1.14

Noteholder	Number of notes held	Shares post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price per Share
AMANDA MICHELLE THOMPSON			
JENNIFER BURT	46	41	$1.14
MS KAREN WRIGHT	26	23	$1.14
MR BRETT LIVERMORE & MRS LORENA BIDINOST	21	18	$1.14
STARWAY CORPORATION PTY LTD	2575	2267	$1.14
IAIN CHANEY (FAMILY TRUST)	1030	907	$1.14
BILL DAFT	1030	907	$1.14
JEMKAT PTY LTD	1030	907	$1.14
THIRTY SEVENTH VILMAR PTY LTD	903	793	$1.14
SIMON MORISS	258	224	$1.14
	243709	**214480**	

6.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue

did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares upon conversion of the Aware Vendor Convertible Notes.

If Resolution 9 is not passed, the Shares to be issued upon conversion of the Aware Vendor Convertible Notes will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 9 is passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

Resolution 9 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares to be issued upon conversion of the Aware Vendor Convertible Notes.

6.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 9:

(d) the persons to whom the Company is to issue Shares – see the table in section 6.2;

(e) 214,480Shares will be issued. All of the Shares are fully paid ordinary Shares in the Company in the same class as the Company's existing listed ordinary Shares;

(f) If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution as soon as practicable, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(g) the Shares are to be issued at a conversion rate of $1.14 per Share;

(h) No further funds will be raised upon the issue of Shares upon the conversion of the Aware Vendor Convertible Notes; and

(i) the Aware Vendor Convertible Notes were issued pursuant to the New Aware SPA, the terms of which are summarised in section 1.17.

7. RESOLUTION 10 – APPROVAL OF THE ISSUE OF SHARES UPON THE CONVERSION OF RPC CONVERTIBLE NOTES (AWARE RELATED PARTY CREDITORS)

7.1 Introduction

On 15 April 2022, to facilitate the acquisition of Aware by Heat Holdings, the Company, Heat Holdings and Aware entered into deeds of forgiveness and conversion (**Forgiveness and Conversion Deeds**) in respect of secured debts of $13,711,052 owed to Aware's founders and their related parties (**Aware Related Party Creditors**) under which the Aware Related Party Creditors forgave a portion of their debts ($8,711,052), with the balance converted into of convertible notes ($5,000,000) (**RPC Convertible Notes**) which convert into equity in the Company upon the Company's successful readmission to the Official List of ASX. The RPC Convertible Notes have an aggregate face value of $5,000,000 and convert into 4,075,118Shares in the Company.

This Resolution seeks Shareholder approval to issue up to 4,075,118Shares (or such lesser number as the Board approves) on a post Consolidation basis to the Aware Related Party Creditors upon conversion of their RPC Convertible Notes.

7.2 Convertible Notes

The Aware Related Party Creditors hold convertible notes which were issued by the Company in exchange for the Aware Related Party Creditors extinguishing and forgiving debts owed to them by Aware in connection with the acquisition of Aware by the Company. The RPC Convertible Notes were issued on the following key terms and conditions:

(a) Issuer of the RPC Convertible Notes – the Company;

(b) Deemed issue price – $1.00 per note;

(c) Conversion rate – the 5,000,000 RPC Convertible Notes in aggregate convert into 9.5% of the capital in the Company immediately prior to the Public Offer (i.e., 9.5% of the capital of the Company after the issue of all of the Shares contemplated in this Notice of Meeting, except for those to be issued pursuant to the Public Offer), which equates to 4,075,118Shares. This equate to a conversion price of $1.23 per Share. See table below; and

(d) The RPC Convertible Notes are unsecured.

The table below shows the details of the RPC Convertible Notes held:

Noteholder	Number of notes held	Shares post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price per Share
GIBA INVESTMENTS PTY LTD ATF GIBA INVESTMENTS UNIT TRUST	2,310,000	1,882,705	$1.23
ERAWA PTY LTD ATF ERAWA UNIT TRUST	343,000	279,553	$1.23
WILLIAM ERNEST DAFT AND KAREN ELIZABETH O'CALLAGHAN ATF O'CALLAGHAN DAFT SUPERANNUATION FUND	202,500	165,042	$1.23
CHANEY SM SUPER PTY LTD ATF CHANEY SM SUPERANUATION FUND	139,500	113,696	$1.23
I&A CHANEY SUPER PTY LTD ATF I&A CHANEY SUPERANNUATION FUND	129,500	105,546	$1.23
G&J SMITH SUPERANNUATION FUND PTY LTD ATF G&J SMITH SUPERANNUATION FUND	125,500	102,285	$1.23
EGEA PTY LTD	1,750,000	1,426,291	$1.23
	5,000,000	**4,075,118**	

7.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares upon conversion of the RPC Convertible Notes.

If Resolution 10 is not passed, the Shares to be issued upon conversion of the RPC Convertible Notes will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 10 is passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

Resolution 10 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares to be issued upon conversion of the RPC Convertible Notes.

7.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

(j) the persons to whom the Company is to issue Shares– see the table in section 7.2;

(k) 4,075,118 Shares will be issued. All of the Shares are fully paid ordinary Shares in the Company in the same class as the Company's existing listed ordinary Shares;

(l) If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution as soon as practicable, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);

(m) the Shares are to be issued at a conversion rate of $1.23 per Share;

(n) No further funds will be raised upon the issue of Shares upon the conversion of the RPC Convertible Notes; and

(o) the RPC Convertible Notes were issued pursuant to the New Aware SPA, the terms of which are summarised in section 1.17.

8. RESOLUTION 11 – APPROVAL OF THE ISSUE OF SHARES UPON THE CONVERSION OF ELEVON CONVERTIBLE NOTES (ELEVON)

8.1 Introduction

Pursuant to a Deed of Acknowledgment dated 18 October 2021 as amended by a Deed of Amendment dated on or around 1 July 2022 (**Elevon Deed**) Elevon Pty Ltd (**Elevon**), Aware's corporate advisor, was issued with 1,486,518 convertible notes (**Elevon Convertible Notes**) for services rendered to Aware and as a success fee for introducing Aware to the Company which convert into equity in the Company upon the Company's successful readmission to the Official List of ASX.

Elevon is a boutique corporate advisory firm that partners with companies to define success, create elevated growth plans and deliver beyond expectation. Early in 2021, Aware engaged Elevon to seek urgent funding and Elevon provided associated corporate advisory services to Aware. Pursuant to the terms of engagement, Aware was obliged to pay Elevon a retainer and a success fee. The retainer has been paid by Aware, and by agreement among Aware, Elevon and the Company, the success fee will be paid by the Company making a cash payment to Elevon of $1,500,000 and issuing the Elevon Convertible Notes (as described in this Resolution).

This Resolution seeks Shareholder approval to issue up to 953,846 Shares (or such lesser number as the Board approves) on a post Consolidation basis to Elevon upon conversion of the Elevon Convertible Notes.

8.2 Convertible Notes

Elevon holds convertible notes which were issued by the Company in exchange for corporate advisory services rendered to Aware in connection with the acquisition of Aware by the Company. The Elevon Convertible Notes were issued on the following key terms and conditions:

(a) Issuer of the Elevon Convertible Notes – the Company;

(b) Deemed issue price – $1.00;

(c) Conversion rate – Elevon Convertible Notes convert to Shares in the Company at a conversion rate of $1.56 per Share. See table below; and

(d) The Elevon Convertible Notes are unsecured.

The table below shows the details of the Elevon Convertible Notes held:

Noteholder	Number of notes held	Shares post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price per Share
Elevon	1,486,518	953,846	$1.56

8.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares upon conversion of the Elevon Convertible Notes.

If Resolution 11 is not passed, the Shares to be issued upon conversion of the Elevon Convertible Notes will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 11 is passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

Resolution 11 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares to be issued upon conversion of the Elevon Convertible Notes.

8.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

(a) the persons to whom the Company is to issue Shares – Elevon;

(b) 953,846 Shares will be issued. All of the Shares are fully paid ordinary Shares in the Company in the same class as the Company's existing listed ordinary Shares;

(c) the Shares are to be issued on If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution as soon as practicable, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).;

(d) the Shares are to be issued at a conversion price of $1.56 per Share;

(e) No further funds will be raised upon the issue of Shares upon the conversion of the Elevon Convertible Notes; and

(f) the Elevon Convertible Notes were issued pursuant to the Elevon Deed, the terms of which are summarised in section 1.17

9. RESOLUTIONS 12, 13 AND 14 – APPROVAL OF THE ISSUE OF SHARES UPON THE CONVERSION OF SEED CONVERTIBLE NOTES (SEED INVESTORS)

9.1 Introduction

Resolutions 12 – 14 seek Shareholder approval to issue up to 10,040,504 Shares (or such lesser number as the Board approves) on a post Consolidation basis to non-related parties and related parties of the Company upon conversion of their convertible notes which were issued in connection with seed round capital raisings which raised in aggregated $10,640,000 (**Seed Investors**) (**Seed Convertible Notes** or **Seed Investor Convertible Notes**).

9.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares upon conversion of the Seed Convertible Notes.

If Resolutions 12 – 14 are not passed, the Shares to be issued upon conversion of the Seed Convertible Notes will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolutions 12 – 14 are passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

Resolutions 12 – 14 seek Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares to be issued upon conversion of the Seed Convertible Notes.

9.3 ASX Listing Rules 10.11 and 10.13 and consequences of resolution passing or not passing

ASX Listing Rule 10.11 provides that, subject to the certain exceptions outlined in ASX Listing Rule 10.12 (none of which are relevant here), shareholder approval must be obtained where an entity issues equity securities to a related party.

Some of the Seed Investors are related parties of the Company (as identified in the table below in section 9.6).

Resolutions 12 – 14 seek the required shareholder approval to the issue up to a total of $10,640,000.00 Shares to under and for the purposes of Listing Rule 10.11.

If Resolutions 12 – 14 are passed, the Company will be able to proceed with the issue of Shares upon conversion of Seed Convertible Notes to related parties of the Company.

If Resolutions 12 – 14 are not passed, the Company will not be able to proceed with the issue of Shares upon conversion of Seed Convertible Notes to related parties of the Company.

9.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Shares upon the conversion of Seed Convertible Notes may constitute giving a financial benefit and the relevant parties identified in the table are each a related party of the Company by virtue of section 228(6) of the Corporations Act.

One of the exceptions to section 208 is that the giving of the financial benefit is on commercial arms' length terms.

The issue of the Seed Convertible Notes (which were issued with a conversion price of $1.56) to related parties is on commercial arm's length terms because they were issued to the related parties on the same terms and conditions as they were issued to the non-related parties who participated (see the table below in section 9.6), so approval pursuant to section 208 of the Corporations Act is not required for the issue of shares upon conversion of these Seed Convertible Notes.

However, the issue of 2,040,000 Seed Convertible Notes to the BIA Fund and 350,000 Seed Convertible Notes to Cattermole and Cattermole Associates which convert into 4,051,639 and 695,135 Shares respectively (which were issued at a conversion price of $0.5035) to related parties (being Cattermole and Cattermole Associates and the BIA Fund) were not necessarily issued on commercial arms' length terms, so approval pursuant to section 208 of the Corporations Act is being sought for the issue of shares upon conversion of these Seed Convertible Notes.

9.5 Section 611 (Item 7) of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (**Section 606 Prohibition**).

The voting power of a person in a body corporate is determined under section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Section 608 of the Corporations Act states that a person has a relevant interest in securities if they:

(a) are the holder of the securities; or

(b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

(c) have power to dispose of, or control the exercise of power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

As outlined in sections 4.7 and 5.7, Cattermole and Cattermole Associates and the BIA Fund are substantial holders in Heat Holdings, and in turn will receive interest otherwise in breach of the Section 606 Prohibition pursuant to the share issues to Heat Holdings contemplated in Resolutions 3 – 8. Hence, approval pursuant to section 611 (item 7) is being sought in respect Resolutions 3 – 8. Cattermole and Cattermole Associates and the BIA Fund will also be issued with Shares upon the conversion of the relevant Seed Convertible Notes pursuant to this Resolution, hence, approval pursuant to section 611 (item 7) is being sought in respect of this Resolution. Information regarding the aggregate impact of the share issues contemplated by the Proposed Transactions (including this Resolution) to Cattermole and Cattermole Associates and the BIA Fund is set out in sections 1.9, 4.7 and 5.7.

9.6 Convertible Notes

A number of non-related parties and related parties of the Company hold convertible notes which were issued by the Company to fund the transactions contemplated by this Notice of Meeting as part of a seed round capital raise. The Seed Convertible Notes were issued on the following key terms and conditions:

(a) Issuer of the Seed Convertible Notes – the Company;

(b) Deemed issue price – $1.00 per note;

(c) Conversion rate / price – see table below; and

(d) The Seed Convertible Notes are unsecured.

The table below shows the details of the Seed Convertible Notes held:

Noteholder	Number of notes held / face value of the notes ($)	Shares on conversion (post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price (per Share)	Related or non-related party	Commercial arms' length terms?
BIA Fund	2,040,000	4,051,639	$0.5035	Related party	No
Cattermole and Cattermole Associates (Alcatt)	350,000	695,135	$0.5035	Related party	No
Cattermole and Cattermole Associates (Alcatt)	3,000,000	1,924,993	$1.56	Related party	Yes
BRC Group	2,000,000	1,283,329	$1.56	Related party	Yes
BIA Fund	2,000,000	1,283,329	$1.56	Related party	Yes
Julie and Garry Hounsell ATF The Hounsell Superannuation Fund	250,000	160,416	$1.56	Related party	Yes
Penashe Holdings Pty Ltd	150,000	96,250	$1.56	Non-related party	Yes
Cattermole Management Pty Ltd ATF Cat Trust	100,000	64,166	$1.56	Related party	Yes
Hugh Cattermole	50,000	32,083	$1.56	Related party	Yes
PVi7 Consulting Pty Ltd	50,000	32,083	$1.56	Related party	Yes

Noteholder	Number of notes held / face value of the notes ($)	Shares on conversion (post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price (per Share)	Related or non-related party	Commercial arms' length terms?
The Botta Superannuation Fund	100,000	64,166	$1.56	Related party	Yes
Vivo Trading Pty Ltd	80,000	51,333	$1.56	Non-related party	Yes
Facoory Investments (QLD) Pty Ltd	50,000	32,083	$1.56	Non-related party	Yes
10 BOLIVIANOS PTY LTD	80,000	51,333	$1.56	Non-related party	Yes
Kathryn Valerie Van Der Zwan ATF Harleston Family Trust	20,000	12,833	$1.56	Non-related party	Yes
Corrigan Retirement Pty Ltd ATF Corrigan Retirement Fund	20,000	12,833	$1.56	Non-related party	Yes
PKT Springbrook Pty Ltd; ATF Springbrook Family Trust	10,000	6,417	$1.56	Non-related party	Yes
Mr Noel Russell Cameron & Dr Belinda Caroline Goad ATF Noel Cameron Superannuation Fund	10,000	6,417	$1.56	Non-related party	Yes

Noteholder	Number of notes held / face value of the notes ($)	Shares on conversion (post Offer and Proposed Transactions on a post Consolidation basis)	Conversion price (per Share)	Related or non-related party	Commercial arms' length terms?
Biccy Boo Pty Ltd ATF The Biccy Boo Trust	100,000	64,166	$1.56	Non-related party	Yes
Caves Kumar and Co Pty Ltd ATF Sevac Kumar Trust	30,000	19,250	$1.56	Non-related party	Yes
Howcroft Media Pty Ltd ATF The Russel Howcroft Family Trust	50,000	32,083	$1.56	Non-related party	Yes
Flinders Lane Productions Pty Ltd ATF Flinders Lane Unit Trust	100,000	64,167	$1.56	Non-related party	Yes
	10,640,000	**10,040,504**			

9.7 Technical information required by ASX Listing Rule 7.5 (non-related parties)

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 12 – 14:

(a) the non-related parties to whom the Company is to issue Shares – see the table in section 9.6;

(b) 449,165 Shares will be issued to non-related parties. All of these Shares are fully paid ordinary Shares in the Company in the same class as the Company's existing listed ordinary Shares;

(c) If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution as soon as practicable, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);

(d) with respect to non-related parties, the Shares are be issued at a conversion price of $1.56 per Share;

(e) the funds raised from the issue of the Seed Convertible Notes has been used by the Company to fund the transactions contemplated by this Notice of Meeting. No further funds will be raised upon the issue of Shares upon the conversion of the Seed Convertible Notes; and

(f) the Seed Convertible Notes were not issued under an agreement.

9.8 Technical information required by ASX Listing Rule 10.13 (related parties, on commercial arms' length terms)

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Shares to related parties of the Company upon conversion of Seed Convertible Notes:

(a) The names of the persons:

See table above in section 9.6.

(b) The category in ASX Listing Rules 10.11.1 -10.11.5 the person falls within and why:

See table above in section 9.6. These parties fall within the category in ASX Listing 10.11.1 and 10.11.4.

(c) The maximum number and class of securities being issued to the person:

See table above in section 9.6.

(d) The Shares to be issued will be fully paid ordinary shares and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.

(e) The date or dates of issue:

Subject to obtaining Shareholder approval of this Resolution, the Company will issue the Shares on Completion of the Public Offer and in any event within 1 month of the date of the Meeting.

(f) The price or other consideration to be received by the Company:

See table above in section 9.6.

(g) Voting exclusion statement:

A voting exclusion statement applicable to this Resolutions is included in the Notice of Meeting.

9.9 Technical information required by ASX Listing Rule 10.13 and section 219 of the Corporations Act (related parties, not on commercial arms' length terms)

ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Shares to related parties of the Company upon conversion of Seed Convertible Notes:

(a) The names of the persons:

See table above in section 9.6.

(b) The category in ASX Listing Rules 10.11.1 -10.11.5 the person falls within and why:

See table above in section 9.6.

(c) The maximum number and class of securities being issued to the person:

See table above in section 9.6.

(d) The Shares to be issued will be fully paid ordinary shares and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.

(e) The date or dates of issue:

Subject to obtaining Shareholder approval of this Resolution, the Company will issue the Shares on Completion of the Public Offer, and in any event, by no later than 1 month after the date of the Meeting.

(f) The price or other consideration to be received by the Company:

See table above in section 9.6.

(g) Voting exclusion statement:

A voting exclusion statement applicable to this Resolutions is included in the Notice of Meeting.

Section 219 and ASIC RG 76

(a) The related party to whom the financial benefit will be given:

See table above in section 9.6.

(b) The nature of the financial benefit is:

See table above in section 9.6.

(c) The financial benefit is not capable of being valued. The definition of "financial benefit" in Chapter 2E of the Corporations Act is very broad and captures circumstances that might not otherwise be regarded as a benefit. The Independent Expert's Report provides commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

(d) The impact on the Company of the Proposed Transactions in general and the Aware Acquisition in particular are set out in sections 1.1 to 1.28 of this Explanatory Memorandum.

9.10 Technical information required by section 611 (item 7) and ASIC RG 74 (related parties)

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74: Acquisitions approved by members (RG74).

(a) Explanation of the reasons for the proposed acquisition

Please refer to sections 1.1 to 1.28 as well as section 9.1 of this Explanatory Statement.

(b) When the proposed acquisition is to occur

Please refer to sections 1.1 to 1.28 as well as section 9.1 of this Explanatory Statement.

(c) The material terms of the proposed acquisition

Please refer to sections 1.1 to 1.28 as well as section 9.1 of this Explanatory Statement.

(d) Maximum extent of the increase in the recipient's (being Cattermole and Cattermole Associates and the BIA Fund) voting power in the Company.

See the table in section 1.9 for a detailed summary of the expected voting power of Cattermole and Cattermole Associates and the BIA Fund.

(e) Voting power the recipients (being Cattermole and Cattermole Associates and the BIA Fund) would have as a result of the acquisition and the maximum extent of the increase in the voting power of the recipient's relevant associates that would result from the acquisition

Please refer to the table above and the table in section 1.9.

(f) The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution.

Except as set out in this Notice (in sections 1.1 to 1.28) the recipients (being Cattermole and Cattermole Associates and the BIA Fund) do not currently have:

(i) any intention to change the business of the entity;

(ii) any intention to inject further capital into the entity;

(iii) any intentions regarding the future employment of present employees of the entity;

(iv) any proposal where assets will be transferred between the entity and

(v) either he or any of his associates; or

(vi) any intention to otherwise redeploy the fixed assets of the entity.

(g) Any intention of the recipient to significantly change the financial or dividend distribution policies of the Company

The recipients (being Cattermole and Cattermole Associates and the BIA Fund) have no intention in this respect and the Board advises that a dividend is not presently paid by the Company and there is no foreseeable change to this policy.

(h) Recommendation of each Director as to whether Shareholders should approve the Resolution

The Directors (other than those associated with Cattermole and Cattermole Associates and the BIA Fund who have a material personal interest in this Resolution) recommend each Shareholder approve this Resolution for the reasons set out in section 1.26.

(i) An analysis of whether the acquisition the subject of this Resolution is fair and reasonable to the non-associated Shareholders

The Independent Expert has concluded that the issue of the Shares is FAIR AND REASONABLE to the non-associated Shareholders. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

10. RESOLUTION 15 – APPROVAL OF THE ISSUE OF SHARES UPON THE CONVERSION OF DOCA CONVERTIBLE NOTES (DOCA CREDITORS)

10.1 Introduction

This Resolution seeks Shareholder approval to issue up to 107,193 Shares (or such lesser number as the Board approves) on a post Consolidation basis to non-related parties of the Company upon conversion of their convertible notes which were issued on or around 31 October 2021 in connection with the DOCA (**DOCA Creditors**) (**DOCA Convertible Notes**).

10.2 DOCA Convertible Notes

The DOCA Creditors hold convertible notes which were issued by the Company in connection with the DOCA. The DOCA Convertible Notes were issued on the following key terms and conditions:

(a) Issuer of the Convertible Notes – the Company;

(b) Deemed issue price – $1.00 per note;

(c) Conversion rate – the DOCA Convertible Notes in aggregate convert to Shares in the Company with a face value of $200,000 upon completion of the Proposed Transactions. This equates to a conversion price of $1.87 per Share. See table below; and

(d) The DOCA Convertible Notes are unsecured.

The table below shows the details of the DOCA Convertible Notes held:

Noteholder	Number of notes held / face value of the notes ($)	Shares post Offer and Proposed Transactions on a post Consolidation basis	Conversion price per share
Bizcap AU Pty Ltd	23,449	12,568	$1.87
Creative Capital Group Pty Ltd	53,077	28,448	$1.87
EGEA Pty Ltd	9,438	5,058	$1.87
Tiga Trading Pty Ltd	14,036	7,523	$1.87
Ashfords Accountants & Advisory Pty Ltd	551	295	$1.87
Austramedex (VIC) Pty Ltd	343	184	$1.87
Chantelle Philips - Tally Business Solutions	589	316	$1.87

Noteholder	Number of notes held / face value of the notes ($)	Shares post Offer and Proposed Transactions on a post Consolidation basis	Conversion price per share
Christine Parkes	6,731	3,608	$1.87
Talisman Licensing Pty Ltd	586	314	$1.87
Device Consulting Pty Ltd	51	27	$1.87
DHL Supply Chain (Australia) Pty Ltd	412	221	$1.87
DWF Law Australia Pty Ltd	536	287	$1.87
S APIKIAN & OTHERS (trading as Gadens Lawyers)	20,512	10,994	$1.87
Getz Healthcare Pty Ltd	48	26	$1.87
Comserv (No.461) Pty Ltd as trustee for Gow-Gates Unit Trust	6,800	3,645	$1.87
Instant Security Alarms Pty Ltd	34	18	$1.87
Kris Smith	4,534	2,430	$1.87
Ivan Dalla Costa	435	233	$1.87
Jani King Pty Ltd	62	33	$1.87
JM Corporate Services Pty Ltd	614	329	$1.87
Julian Glynn	495	265	$1.87
Colin James Henry and Andrea Joan Henry ATF Henry Unit Trust (ABN 46 191 799 370)	1,577	845	$1.87
C.P. Buxton & R.J. Buxton (trading as TradEasy Consulting (ABN 15 128 493 227))	283	152	$1.87
True Solutions International Pty Ltd	21,874	11,724	$1.87
Tugun Compounding Pty Ltd ATF Tugun Compounding	56	30	$1.87

Noteholder	Number of notes held / face value of the notes ($)	Shares post Offer and Proposed Transactions on a post Consolidation basis	Conversion price per share
Pharmacy (ABN 29 319 707 236)			
George Thomas Wells ATF The Wells Family Trust (ANB 76 661 436 867)	791	424	$1.87
Giokir Pty Ltd	4,121	2,209	$1.87
Saint Sofia Holdings Pty Ltd ATF Saint Sofia Trust (ABN 74 553 445 957)	9,273	4,970	$1.87
Formulayte Pty Ltd ATF Formulayte Investment Trust	2,164	1,160	$1.87
Goldleaf Australian Income Fund Limited	5,193	2,783	$1.87
Sidney Ho & Associates Pty Ltd ATF Sidney Ho & Associates Pty Ltd Superannution Fund	2,061	1,104	$1.87
Glenfare Investments Pty Ltd	9,274	4,970	$1.87
	200,000	**107,193**	

10.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking

Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares pursuant to the conversion of the DOCA Convertible Notes.

If Resolution 15 is not passed, the Shares to be issued upon conversion of the DOCA Convertible Notes will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 15 is passed, the base figure upon which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

Resolution 15 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares to be issued upon conversion of the DOCA Convertible Notes.

10.4 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 15:

(a) the persons to whom the Company will issue the Shares – see the table in section 10.2;

(b) 107,193 Shares will be issued. All of the Shares are fully paid ordinary Shares in the Company in the same class as the Company's existing listed ordinary Shares;

(c) If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution as soon as practicable, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).;

(d) the Shares are to be issued at a conversion price of $1.87 per Share;

(e) no funds were raised from the issue of the DOCA Convertible Notes. The DOCA Convertible Notes were issued in exchange for the extinguishment of debt in connection with the DOCA. No further funds will be raised upon the issue of Shares upon the conversion of the DOCA Convertible Notes.

11. RESOLUTION 16 – APPROVAL OF THE ASSINGMENT OF RIGHTS UNDER THE ACTIZYME AGREEMENT BY HEAT HOLDINGS TO A CHILD ENTITY OF THE COMPANY

11.1 Introduction

Heat Holdings and ERAWA are parties to an IP & Asset Sale Agreement dated 18 October 2021 (**Actizyme Agreement**), pursuant to which Heat Holdings has agreed to purchase and ERAWA has agreed to sell various intellectual property and assets related to the "Actizyme" brand.

In connection with the acquisition of Aware, Heat Holdings entered into an agreement dated on or around 15 April 2022 with Aware Environmental Products Pty Ltd (**AEP**) (which will become a controlled subsidiary of the Company upon completion of the Aware Acquisition) pursuant to which Heat Holdings will assign and novate its rights under the Actizyme Agreement (**Actizyme Rights**) to AEP.

11.2 General

This Notice of Meeting has been prepared to seek shareholder approval for the matters required to complete the Aware Acquisition.

Resolution 16 seeks Shareholder approval for the purposes of sections 208 of the Corporations Act and ASX Listing Rules 10.1 for the acquisition of a substantial asset being the Actizyme Rights from a related party of the Company being Heat Holdings and the provision of a financial benefit to a related party of the Company.

11.3 Independent Expert's Report

ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Aware Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 16.

The Independent Expert's Report provides an assessment of the financial benefits to be given to related parties of the Company and the potential costs and detriments to the Company of giving the benefits for the purposes of section 219 of the Corporations Act. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

11.4 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons:

(a) a related party of the entity;

(b) a substantial holder of the entity; or

(c) an associate of a substantial holder of the entity,

without the prior approval of holders of the entity's ordinary shareholders.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The Independent Expert has valued the Company (upon completion of the Proposed Transactions, including the acquisitions of the Heat Group and Aware) as being between $29,030,520 and $40,530,520 (see section 9.6 of the Independent Expert's Report), and therefore, the Actizyme Rights (constituting a component of the Aware business, once acquired) (the subject of this Resolution) constitutes a substantial asset.

Related parties

Pursuant to this Resolution, Heat Holdings will be assigning and novating rights under the Actizyme Agreement to AEP. AEP is to become a controlled subsidiary of the Company upon completion of the Aware Acquisition (therefore constituting a child entity of the Company).

Heat Holdings is an Australian propriety company that was incorporated on 15 July 2019. Heat Holdings is currently a 50.2% shareholder in the Company. Heat Holdings also shares some common directorship with the Company.

Therefore, Heat Holdings will be considered to be a related party of the Company (and in turn, AEP as a child entity of the Company) by operation of sections 228(1) and 228(2) of the Corporations Act and ASX Listing Rule 10.1.1.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the assignment and novation of the Actizyme Agreement will result in the acquisition of a substantial asset from a related party of the Company. The Company is therefore required to seek Shareholder approval under ASX Listing Rule 10.1.

As stated above, ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert. Shareholders are urged to carefully read the Independent Expert's Report annexed to this Notice.

11.5 Section 208 of the Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

By virtue of the assignment and novation of the Actizyme Agreement, Heat Holdings will be released of its obligations and labilities under the Actizyme Agreement (and these will become born by AEP the child entity of the Company), which may constitute giving a financial benefit pursuant to section 229(3)(f) of the Corporations Act and Heat Holdings is a related party as explained above.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Resolution 16 therefore requires the approval of the Company's Shareholders under section 208 of the Corporations Act.

Sections 218(b) and 219 of the Corporations Act require the notice of meeting for a meeting of shareholders to approve the giving of a financial benefit to a related party to be accompanied by an explanatory statement containing the technical information included in section 11.6 below. In order to satisfy some of these requirements the Independent Expert's Report provides commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

If Resolution 16 is passed, the Company will be able to proceed with accepting the assignment and novation of the Actizyme Agreement.

If Resolution 16 is not passed, the Company will not be able to proceed with accepting the assignment and novation of the Actizyme Agreement.

11.6 Technical information required by section 219 of the Corporations Act and ASX Listing Rule 10.5

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASIC Regulatory Guide 76 and ASX Listing Rule 10.5 the following information is provided in relation to Resolution 16.

Section 219 and ASIC RG 76

(a) The related party to whom the financial benefit will be given is Heat Holdings.

(b) The nature of the financial benefit is: by virtue of the assignment and novation of the Actizyme Agreement, Heat Holdings will be released of its obligations and labilities under the Actizyme Agreement (and these will become born by AEP the child entity of the Company), which constitutes giving a financial benefit pursuant to section 229(3)(f) of the Corporations Act and Heat Holdings is a related party as explained above.

(c) The financial benefit is not capable of being valued. The definition of "financial benefit" in Chapter 2E of the Corporations Act is very broad and captures circumstances that might not otherwise be regarded as a benefit. The Independent Expert's Report provides commentary on the financial benefits to be given to related parties of the Company (see section 12 of the Independent Expert's Report). The Independent Expert concludes that it is not meaningful to value the financial benefit associated with one step of the Proposed Transactions, noting all steps are interdependent (i.e., they all proceed, or none proceed) and that nevertheless, when assessing the transaction steps that involve related parties on a standalone basis, in their view the related parties do not receive a financial benefit.

(d) Heat Holdings (prior to the issue of shares pursuant to this Resolution) and its related entities currently hold 1,046,154 Shares (on a post Consolidation basis). Heat Holdings (after the issue of shares pursuant to the Proposed Transactions as set out in this Notice) and its related entities will hold 26,299,381 Shares. Heat Holdings is not being issued with any shares in the Company under this Resolution.

(e) Paul Docherty declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution on the basis that he is a director of Heat Holdings.

(f) David Botta declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution on the basis that has been a director of Heat Holdings in the last 6 months.

(g) Lyndsey Cattermole declines to make a recommendation to Shareholders in relation to Resolution 16 due to her material personal interest in the outcome of the Resolution on the basis that she owns shares in an entity that in turn owns shares in Heat Holdings.

(h) Garry Hounsell does not have a material personal interest in the outcome of Resolution 16 and recommends that Shareholders vote in favour of Resolution 16 for the reasons set out in section 1.26.

(i) Amber Collins does not have a material personal interest in the outcome of Resolution 16 and recommends that Shareholders vote in favour of Resolution 16 for the reasons set out in section 1.26.

(j) Steven Chaur does not have a material personal interest in the outcome of Resolution 16 and recommends that Shareholders vote in favour of Resolution 16 for the reasons set out in section 1.26

(k) There are currently no alternative options to the Proposed Transactions available to the Company.

(l) The impact on the Company of the Proposed Transactions in general and the Aware Acquisition in particular are set out in sections 1.1 to 1.28 of this Explanatory Memorandum.

ASX Listing Rule 10.5

(a) The name of the party from which the Company is acquiring the substantial asset: Heat Holdings.

(b) Heat Holdings is a related party of the Company for the purposes of ASX Listing Rule 10.1.1.

(c) The substantial asset being acquired is the Actizyme Rights (specifically, the right to purchase the Actizyme business and assets), which is being acquired in connection with the Aware Acquisition.

(d) The consideration provided by the Company is Nil.

(e) The material terms of the Actizyme Agreement and the Aware Acquisition generally, a timetable for the proposed Aware Acquisition and details of Aware (i.e., the asset being acquired) are set out in sections 1.1 to 1.28 above.

(f) The Independent Expert's Report provides an assessment of the financial benefits to be given to Heat Holdings and the potential costs and detriments to the Company of giving the benefits. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

11.7 Other information

Other information in relation to the Aware Acquisition such as indicative timetable, advantages and disadvantages and risks can be found in section 1.1 to 1.28 of this Explanatory Memorandum.

12. RESOLUTION 17 – APPROVAL OF ISSUE OF SHARES UNDER THE PUBLIC OFFER

12.1 ASX Listing Rule 7.1 and consequences of resolution passing or not passing

The Company is proposing to issue up to 13,368,984Shares (based on Minimum Subscription) or 18,716,578 Shares (based on Maximum Subscription) (or such lesser number as the Board approves) on a post Consolidation basis at a price of $1.87 per Share to raise between $25,000,000 and $35,000,000 from investors (**Public Offer**).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue under the Offer does not fall within any of these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Shareholders under ASX Listing Rule 7.1.

Resolution 17 seeks the required shareholder approval to the issue under the Offer under and for the purposes of ASX Listing Rule 7.1.

If Resolution 17 is passed, the Company will be able to proceed with the Public Offer and raise capital of up to between $25,000,000 and $35,000,000 from investors by issue of up to 13,368,984 Shares (based on Minimum Subscription) or 18,716,578 Shares (based on Maximum Subscription) during the period of 3 months after the Meeting (or a longer period if allowed by ASX). Note that existing Shareholders' holdings in the Company will be diluted if they do not participate in the Public Offer. In addition, the issue under the Public Offer will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 17 is not passed, the Company will not be able to proceed with the Public Offer, the Minimum Subscription ($25,000,000) will not be raised, the Proposed Transactions will not proceed and it is likely that the Company will be removed from the official list of ASX from February 2023.

Note that while this document assumes a Minimum Subscription and Maximum Subscription as well as an offer price of $1.87 per Share, this is indicative only and subject to the prevailing market conditions and other factors at the time of the Public Offer.

12.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares under the Offer, the subject of Resolution 17:

(a) The name of the persons to whom the Company will issue the securities

The Company will issue Shares to persons who are investors who are invited to subscribe for the Shares under the Prospectus pursuant to the Public Offer.

(b) Maximum number and class of securities to be issued

The maximum number of Shares to be issued pursuant to this Resolution 17 is 18,716,578. The Shares are fully paid ordinary shares.

(c) Date for issue of securities

If the Company obtains Shareholder approval for the Resolutions contemplated in the Notice of Meeting and proceeds with the Proposed Transactions, the Company will issue the Shares to be issued pursuant to this Resolution 17 on the Allotment Date, and in any case no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

(d) Issue Price

The issue price under the Public Offer is $1.87 per Share.

(e) The purpose of the issue and intended use of funds raised

The purpose of the issue is for the Company to raise capital of between $25,000,000 and $35,000,000 - please refer to section 1.24 for information on the intended use of funds raised from issue of Shares under the Public Offer.

(f) Voting exclusion statement

A voting exclusion applies to this Resolution in the terms set out in the Notice of Meeting.

13. RESOLUTION 18 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

13.1 General

Under ASX Listing Rule 7.2 Exception 13, securities issued under employee incentive schemes that are approved by shareholders within 3 years before the issue date are not counted in the 15% share issue limit in Listing Rule 7.1.

To this end, the Company proposes to establish an Executive Share Option Plan (**ESOP**) in which senior management of the Company may participate. The Board believes that the establishment of the ESOP will assist in the reward, retention and motivation of senior management by enabling them to acquire Shares.

For approval of a scheme to be effective under ASX Listing Rule 7.2 Exception 13, the notice of meeting for approval must include:

(a) a summary of the terms of the scheme;

(b) the number of securities issued under the scheme since the date of last approval;

(c) the maximum number of securities which can be issued under the scheme following approval; and

(d) a voting exclusion statement.

13.2 Executive Share Option Plan

The Company is proposing to adopt the ESOP to better align the interests of Directors and executives with the interests of Shareholders.

(a) Summary of the terms of the ESOP

Under the ESOP Directors and senior management may be issued with Options which entitle the holder to subscribe for Shares. The Company may lend the exercise price of the Options to the holder on a limited recourse basis. Any such loans will be granted on the basis that the Company retains security over the shares until the loans are fully repaid.

The terms and conditions on which the Options are to be issued will be determined by the Directors of the Company. Typically, the Options will be subject to vesting conditions and the Options cannot be exercised until those vesting conditions are satisfied. The vesting conditions are usually related to ongoing service for an agreed period, and in the case of executives the financial or share price performance of the Company and the respective executives' satisfaction of Company and personal KPIs.

The terms of the ESOP are further summarised in Schedule 2. A full copy of the rules of the ESOP is available for inspection at the

registered office of the Company and will be provided free of charge to Shareholders on request.

(b) Number of securities issued under the ESOP

The number of securities on issue under the ESOP is 0 (zero).

(c) Maximum number of securities which can be issued under the ESOP

The Company may not offer Options if as result of acceptance and issue of those Options the number of Options and Shares on issue and subject to the terms of the ESOP and ESP (including Shares in respect of which a loan remains outstanding) exceeds 10% of the total Shares on issue in the Company at any given time.

14. RESOLUTIONS 19, 20 AND 21 – ISSUES OF SHARES TO MR DAVID BOTTA, MR STEVEN CHAUR AND MR CHRIS ZONDANDOS

14.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue Shares to Mr David Botta and Mr Steven Chaur as part of their remuneration package as directors of the Company, and to Mr Chris Zondanos as part of his remuneration package for time he served as interim director of the Company (he has since resigned) (**Director Shares**).

The Board of the Company considers that the issuing of Director Shares to these persons as part of their remuneration packages will assist (and did assist in the case of Mr Chris Zondanos) in retention and motivation of these directors and maintain the Company's cash reserve.

14.2 ASX Listing Rules 10.11 and 10.13 and consequences of resolution passing or not passing

ASX Listing Rule 10.11 provides that, subject to the certain exceptions outlined in ASX Listing Rule 10.12 (none of which are relevant here), shareholder approval must be obtained where an entity issues equity securities to a related party.

Mr David Botta is a related party to the Company by virtue of being a director of the Company.

Mr Steven Chaur is a related party to the Company by virtue of being a director of the Company.

Mr Chris Zondanos is a related party to the Company by virtue of being the chief executive officer of the Company in the last 6 months.

Resolutions 19 – 21 (inclusive) seek the required shareholder approvals to the issue up to a total of 256,666 Director Shares to under and for the purposes of Listing Rule 10.11.

If Resolutions 19 – 21 (inclusive) are passed, the Company will be able to proceed with the issue of Director Shares.

If Resolutions 19 – 21 (inclusive) are not passed, the Company will not be able to proceed with the issue of Director Shares, and may need to increase the directors' cash remuneration.

14.3 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Director Shares:

(a) The names of the persons:

(i) Mr David Botta;

(ii) Mr Steven Chaur; and

(iii) Mr Chris Zondanos.

(b) The category in ASX Listing Rules 10.11.1 -10.11.5 the person falls within and why:

(i) Mr David Botta and Mr Steven Chaur are each related party of the Company (ASX Listing Rule 10.11.1) by virtue of the fact that they are directors of the Company.

(ii) Mr Chris Zondanos is a related party of the Company (ASX Listing Rule 10.11.1) by virtue of being the chief executive officer of the Company in the last 6 months.

(c) The maximum number and class of securities being issued to the person:

(i) Mr David Botta – 12,833 Director Shares at a deemed issue price of $1.56 per Share;

(ii) Mr Steven Chaur – 160,416 Director Shares at a deemed issue price of $1.56 per Share; and

(iii) Mr Chris Zondanos – 83,416 Director Shares at a deemed issue price of $1.56 per Share.

The Director Shares to be issued will be fully paid ordinary shares and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.

(d) Details of the remuneration package of the director to be issued with the Director Shares:

(i) Mr David Botta – will have a remuneration package (base fees / salary) per annum of $80,000;

(ii) Mr Steven Chaur – will have a remuneration package (base fees / salary) per annum of $520,000; and

(iii) Mr Chris Zondanos – not applicable – no longer employed by the Company.

(e) The date or dates of issue:

Subject to obtaining Shareholder approval of the Resolutions, the Company will issue the Director Shares on Completion of the Public Offer, and in any event within 1 month of the date of the Meeting.

(f) The price or other consideration to be received by the Company:

The Director Shares will be issued for nil cash consideration as part of the remuneration package of the directors.

(g) The purpose of the issue and intended use of funds:

The purpose of the issue is for the Company to satisfy its obligations by the provision of remuneration packages to the directors.

No funds will be raised from the issue of the Director Shares.

(h) Voting exclusion and prohibition statement:

A voting exclusion and prohibition statement applicable to these Resolutions is included in the Notice of Meeting.

14.4 Section 208 of the Corporations Act

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Shares constitutes giving a financial benefit and the parties are each a related party of the Company by virtue of section 228(6) of the Corporations Act.

One of the exceptions to section 208 is the payment of reasonable remuneration. The Directors of the Company consider that the issue of the Director Shares is reasonable remuneration having regard to the responsibilities involved in the office and the functions to be performed (and which have been performed in the case of Mr Chris Zondandos) by the Directors.

14.5 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Directors Shares as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Directors Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

15. RESOLUTION 22 – CHANGE OF COMPANY NAME

Section 157(1) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

This Resolution 22 seeks the approval of Shareholders for the Company to change its name to 'Hiro Brands Limited'.

If Resolution 22 is passed, the change of name will take effect from the day on which ASIC alters the details of the Company's registration.

The proposed new name has been reserved by the Company and, if Resolution 22 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the General Meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the future operations and strategic direction of the Company.

Under section 157(1) of the Corporations Act, Shareholders must pass a special resolution to change the name of the Company. Accordingly, Resolution 22 is a special resolution, requiring approval of 75% of the votes cast by Shareholders entitled to vote on the resolution in order to be passed.

16. RESOLUTION 23 – AMENDMENT OF THE COMPANY'S CONSTITUTION

Resolution 23 is a special resolution to amend the Constitution to allow for certain provisions regarding restricted securities if the entity has any restricted securities on issue.

The amendments are set out in Schedule 3, and a full copy of the Constitution (with the proposed amendments marked-up is available on the Company's website.

Shareholders are invited to contact the Company if they have any queries or concerns.

Under section 136 of the Corporations Act, Shareholders must pass a special resolution to amend the Constitution. Accordingly, Resolution 23 is a special resolution, requiring approval of 75% of the votes cast by Shareholders entitled to vote on the resolution in order to be passed.

Recommendation

The Board recommends that Shareholders vote **IN FAVOUR** of Resolution 23.

17. GLOSSARY

Actizyme Agreement	the IP and Asset Sale Agreement dated 18 October 2021 between Heat Holdings and ERAWA
Actizyme Rights	has the meaning given to it in section 11.1
Administrator	has the meaning given to it in section 1.13
AEP	Aware Environmental Products Pty Ltd
Alcatt	Alcatt Pty Ltd. See section 1.9
Allotment Date	The allotment date prescribed in the Company's Prospectus
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or, where the context requires, the Australian Securities Exchange operated by ASX Limited
ASX Listing Rules	The Official Listing Rules of ASX
Aware	Aware Environmental Pty Ltd ACN 134 677 955
Aware Acquisition	has the meaning given to it in section 1.17
Aware Options	has the meaning given to it in section 1.17
Aware Option 1	has the meaning given to it in section 1.17
Aware Option 2	has the meaning given to it in section 1.17
Aware Option 1 Agreement	has the meaning given to it in section 1.17
Aware Option 2 Agreement	has the meaning given to it in section 1.17
Aware Related Party Creditors	has the meaning given to it in section 1.17 (and refers to related parties of Aware, not the Company)
Aware Vendors	has the meaning given to it in section 1.17
Aware Vendor Convertible Notes	has the meaning given to it in section 1.17
BIA Fund	the BRC Incubator and Accelerator Unit Trust (known as the BIA Fund), of which BRC Collective is the trustee. See section 1.9
Board	Board of directors of the Company

BRC Group	BRC Group Pty Ltd as trustee of BRC Group Unit Trust (a non-controlling unitholder in BIA Fund)
BRC Collective	BRC Collective Pty Ltd
Business Day	means a day other than a Saturday, Sunday or public holiday in Melbourne.
Cattermole and Cattermole Associates	Margaret Lyndsay Cattermole and associated persons. See section 1.9
Chairman	means the person appointed to chair the Meeting convened by the Notice.
Closing Date	has the meaning given to it in section 1.4
Company	Wellness and Beauty Solutions Limited ACN 169 177 833
Consolidation	has the meaning given to it in section 2.1
Constitution	The constitution of the Company
Contribution	has the meaning given to it in section 1.13
Corporations Act	*Corporations Act 2001* (Cth)
Deed Administrator	has the meaning given to it in section 1.13
Director	A director of the Company
Director Shares	Has the meaning given to it in section 14.1
DOCA	has the meaning given to it in section 1.13
DOCA Convertible Notes	has the meaning given to it in section 1.13
DOCA Creditors	has the meaning given to it in section 1.13
DOCA Placement	has the meaning given to it in section 1.13
DOCA Shares	has the meaning given to it in section 1.13
Effective Date	has the meaning given to it in section 2.3
Elevon	Elevon Pty Ltd ACN 636 513 632
Elevon Convertible Notes	has the meaning given to it in section 1.17
Elevon Deed	has the meaning given to it in section 1.17

ERAWA	ERAWA Pty Ltd
Director Share and Option Plan or **ESOP**	has the meaning given to it in section 13.1
Explanatory Memorandum	means the explanatory memorandum included in the Notice of Meeting
Forgiveness and Conversion Deeds	has the meaning given to it in section 1.17
General Meeting	The general meeting of the Company to be held on 19 August 2022
Glossary	Means this glossary of defined terms
Group	means the Company and each of its subsidiaries
Heat Acquisition	has the meaning given to it in section 1.15
Heat Acquisition Agreement	has the meaning given to it in section 1.15
Heat Group	The Heat Group Pty Ltd ACN 092 941 430
Heat Holdings	Heat Holdings Pty Ltd ACN 168 288 346
Heat Shares	has the meaning given to it in section 1.15
Independent Expert	BDO Corporate Finance Pty Ltd
Independent Expert's Report	The report of the Independent Expert in Schedule 1
Initial Aware SPA	has the meaning given to it in section 1.17
Key Management Personnel	means key management personnel (including the Directors)
Lead Manager	has the meaning given to it in section 1.23
Listing Rules	The Listing Rules of ASX
Maximum Subscription	the maximum subscription is 18,716,578 Shares at $1.87 per Share to raise $35,000,000 pursuant to the Public Offer
Minimum Subscription	the minimum subscription is 13,368,984 Shares at $1.87 per Share to raise $25,000,000 pursuant to the Public Offer
New Aware SPA	has the meaning given to it in section 1.17

Notice of General Meeting or **Notice of Meeting** or **Notice** or **NOM**	The notice of General Meeting to which this Explanatory Memorandum is attached
Offer Price	means the price per Share under the Public Offer, being $1.87
Official List	The official list of the ASX
Opening Date	has the meaning given to it in section 1.4
Options	means an option issued in the capital of the Company which converts to a Share in the Company
Proposed Transactions	has the meaning given to it in section 1.3
Prospectus	means a prospectus for the Public Offer (which is to be lodged with ASIC)
Public Offer	has the meaning given to it in section 1.20
Reinstatement Application	has the meaning given to it in section 3.4
RPC Convertible Notes	has the meaning given to it in section 1.17
Seed Convertible Notes	has the meaning given to it in section 9.1
Seed Investors	has the meaning given to it in section 9.1
Share	A fully paid ordinary share in the Company
Share Registry or Computershare	Computershare Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067
Shareholder	A person who holds Shares in the Company

SCHEDULE 1

INDEPENT EXPERT'S REPORTS

WELLNESS AND BEAUTY SOLUTIONS LIMITED

Independent Expert's Report and Financial Services Guide

15 JULY 2022

FINANCIAL SERVICES GUIDE

Dated: 15 July 2022

This Financial Services Guide (**'FSG'**) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (**'BDOCF', 'we', 'us', 'our').**

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us a fee based on time and costs for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance (East Coast) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (**'AFCA'**). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1800 931 678
Email: info@afca.org

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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AUSTRALIA

PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

The Shareholders
Wellness and Beauty Solutions Limited
11 Dalmore Drive, Scoresby
Melbourne VIC 3179
Australia

15 July 2022

Dear Shareholders

1.0 Introduction

BDO Corporate Finance (East Coast) Pty Ltd (**'BDOCF', 'we', 'us'** or **'our'**) has been engaged by Wellness and Beauty Solutions Limited (**'Wellness'**, **'WNB'** or the **'Company'**) to prepare an independent expert's report (**'Report'** or **'IER'**) setting out our opinion on the fairness and reasonableness of a series of transactions (**'Proposed Transactions'**) that will, among other things, give effect to the acquisitions of The Heat Group Pty Ltd (**'Heat Group'**) and Aware Environmental Pty Ltd (**'Aware'**) and support the Company's reinstatement to quotation on the ASX.

A summary of the Proposed Transactions is set out in Part II, section 1.0 of this IER. The existing non-associated shareholders in Wellness (**'Shareholders'**) will be diluted from 49.8% to 1.8% as a result of the Proposed Transactions.

The Proposed Transactions, specifically those relating to the acquisitions of Heat Group and Aware and the issue of shares to related parties, require approval from the non-associated Shareholders in accordance with item 7, section 611 of the Corporations Act, Chapter 2E Related Party Transactions of the Corporations Act (**'the Act'**) and Chapter 10 of the ASX Listing Rules.

The Directors of Wellness have advised that the Proposed Transactions will not proceed unless shareholder approval is received for all resolutions. As such, given the nature and interdependency of the Proposed Transactions, we have considered them collectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders, including the Notice of Meeting and additional documents prepared by Wellness.

2.0 Assessment of the Proposed Transactions

2.1 Basis of evaluation

In preparing our IER, we have considered the requirements of the following regulatory guides issued by the Australian Securities and Investments Commission (**'ASIC'**):

- Regulatory Guide 111: Content of expert reports (**'RG 111'**);
- Regulatory Guide 112: Independence of experts (**'RG 112'**);
- Regulatory Guide 76: Related party transactions (**'RG 76'**); and
- Regulatory Guide 74: Acquisition approved by members (**'RG 74'**).

RG 111 establishes guidelines in respect of independent expert reports under the Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions. RG 76 provides guidance in relation to the disclosure requirements in relation to related party transactions, while RG 74 explains the disclosure requirements for seeking approval under item 7, section 611 of the Act.

RG 111 also states that there should be a separate assessment of fairness and reasonableness. Our assessment of the fairness and reasonableness of the Proposed Transactions is summarised below.

2.2 Basis of assessment

2.2.1 Fairness

RG 111.11 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer. The comparison must 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
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

For purposes of this Report and based on our interpretation of RG 111.11:

- The Proposed Transactions will be fair to the Shareholders if the post-transaction fair market value ('**FMV**') of a share in Wellness on a minority basis is greater than the pre-transaction FMV of a share in Wellness on a 100% controlling basis.

2.2.2 Reasonableness

In accordance with paragraph 60 of RG 111, an offer is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons to accept the offer.

When deciding whether an offer is 'reasonable', factors an expert might consider include:

- the financial situation and solvency of the entity;
- the alternative options available to the entity;
- the entity's bargaining position;
- whether there is selective treatment of any shareholder;
- whether there has been a change in the practical level of control; and
- any special value of the transaction to the purchaser.

2.3 Summary of opinion

We have concluded that:

- **The Proposed Transactions are fair and reasonable.**

2.3.1 Fairness of Proposed Transactions

The result of our fairness analysis of the Proposed Transactions is summarised below.

Table 1: Fairness assessment

Per share ($)	Reference	Low	High
FMV of a share in Wellness before the Proposed Transactions (control basis)	8.0	$0.00	$0.00
FMV of a share in Wellness after the Proposed Transactions (minority basis)	9.0	$0.53	$0.73

Source: BDOCF Analysis

We have determined a range of values for a share in Wellness before and after the Proposed Transactions.

The value of Wellness before the Proposed Transactions (on a control basis) is nil under both our low and high scenarios. Our low scenario reflects Wellness' negative net asset position under our adopted net asset value approach, resulting in a nil equity value. Our high scenario considers the additional value associated with Wellness being a listed shell company, however this additional value is not sufficient to offset the negative net asset position, resulting in a nil equity value.

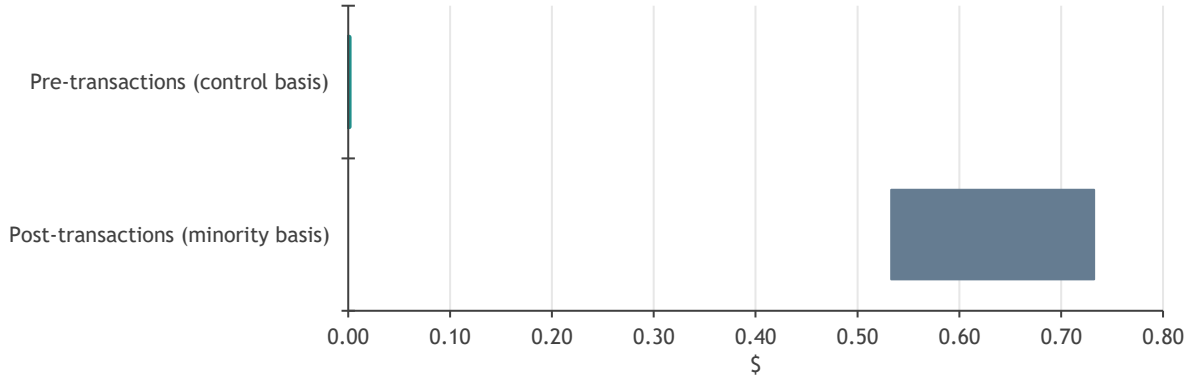
In our view, the value of Wellness after the Proposed Transactions (on a minority basis) ranges from $0.53 to $0.73 per share. This reflects the combined value of Heat Group and Aware in their current states, after accounting for dilution effects and the expected proceeds from the Public Offer which forms part of the Proposed Transactions. Our fairness assessment does not take into account potential synergies from merging and integrating the operations of Heat Group and Aware, which are instead considered in our reasonableness assessment.

The value of Wellness after the Proposed Transactions (on a minority basis) is greater than the value of Wellness before the Proposed Transactions (on a control basis). Accordingly, the Proposed Transactions are fair to the Shareholders.

With a pre-transaction value of nil, any positive value ascribed to a share in Wellness on a post-transaction basis would result in the Proposed Transactions being assessed as fair. Nevertheless, we note that the post-transaction value of Wellness is subjective and sensitive to the outcome of the Public Offer. Therefore, we recommend that shareholders also consider the reasonableness factors set out in section 2.3.2 below.

A comparison of our assessed values is illustrated below.

Figure 1: Summary of fairness assessment



Source: BDOCF Analysis

2.3.2 Reasonableness conclusion (Proposed Transactions)

In accordance with RG 111, an offer is reasonable if it is fair. As the Proposed Transactions are fair to the Shareholders, they are also reasonable.

We have set out below a summary of reasonableness factors in relation to the Proposed Transactions.

Table 2: Summary of factors considered in the reasonableness assessment

Advantages	Reference	Summary
Reinstatement to quotation of shares on ASX	11.1.1	Approval and completion of the Proposed Transactions will support the Company's application for reinstatement to quotation on the ASX. Reinstatement would facilitate liquidity for Shareholders.
Shareholders may still participate in a future control transaction	11.1.2	The Proposed Transactions do not result in a change of control of Wellness - Heat Holdings Pty Ltd ('**Heat Holdings**') currently holds 50.2% of the shares in Wellness and will remain the largest shareholder in Wellness after the Proposed Transactions with an interest of up to 45.6%. If a future transaction were to arise that related to the Wellness business as a whole (i.e. a 100% buyout of Wellness), Shareholders may still be able to participate in that transaction and be paid a control premium on their minority ownership interests.
Ability to participate in Wellness/Hiro	11.1.3	Shareholders will retain a 1.8% ownership in the Company, giving them exposure to the future operations and potential returns of Wellness. Management intends to rebrand Wellness as "Hiro Brands" and transition the business to a fast-moving consumer goods company, with a focus on sustainable products and local manufacturing capability. A successful transition could see the Company re-rated on a valuation multiple basis alongside would-be key competitor BWX Limited (**'BWX'**). BWX's observable revenue multiple was approximately 0.8x (excluding lease liabilities) on 29 June 2022 (down from 3.5x at 31 December 2021). Compared to our selected revenue multiple range of 0.35x to 0.45x for Wellness after the Proposed Transactions, this would provide a marked return to Shareholders if revenue can be maintained or increased.

Disadvantages	Reference	Summary
Dilution of Shareholder interests	11.2.1	The Shareholders will have their combined interest of 49.8% in Wellness diluted to 1.8% of the Company following approval of the Proposed Transactions.
Change in investment risk profile	11.2.2	Following the Proposed Transactions, it is intended that Wellness will operate as a manufacturer and distributor of sustainable consumer goods. This is materially different to the previous business model of Wellness and may not be in-line with the desired investment characteristics of Shareholders.
Inability to participate in any alternative opportunity	11.2.3	Wellness will no longer be classified as a listed shell company, giving up any alternative future opportunity that may have sought to take advantage of Wellness' listed shell company status.
Other considerations	**Reference**	**Summary**
Outcome of Public Offer	11.3.1	The fair market value of a share in Wellness is sensitive to the outcome of the Public Offer, which may differ from current expectations in terms of price and/or the amount of capital raised. Nevertheless, with a pre-transaction value of nil, the Proposed Transactions would be fair to the current non-associated Shareholders in Wellness irrespective of the outcome of the Public Offer.
No alternative proposals	11.3.2	No alternative proposal currently exists. Further, the controlling ownership of Wellness held by Heat makes securing an attractive alternative proposal unlikely.

3.0 Important Information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, assumptions underpinning our work and our findings.

Other information provided to the Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting and additional documents prepared by Wellness.

3.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to all Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transactions on the particular circumstances of individual Shareholders. Individual Shareholders may place a different emphasis on certain elements of the Proposed Transactions relative to the emphasis placed in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transactions are fair and reasonable in their individual circumstances.

The decision of an individual Shareholder to vote in favour of or against the Proposed Transactions is likely to be influenced by their particular circumstances and accordingly, the Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the resolutions is a matter for individual Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Notice of Meeting and additional documents prepared by Wellness. Shareholders who are in doubt as to the action they should take should consult their professional adviser.

3.3 Scope

This Report has been prepared for the sole benefit of Shareholders entitled to vote to assist them in their decision to vote in favour of or against the resolution. This Report is to accompany the Notice of Meeting and additional documents to be sent to Shareholders and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Shareholders without our written consent. We accept no responsibility to any person other than the Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting prepared or any other document associated with the Proposed

Transactions. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act, ASIC regulatory guides and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- Analysis on the basis that other conditions precedent to the Proposed Transactions are satisfied (i.e. by approving the Proposed Transactions they are executed as described);
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- All information which is material to the Shareholders' decision to vote on resolutions has been provided and is complete, accurate and fairly presented in all material respects;
- Publicly available information relied on by us are accurate, complete and not misleading;
- If the Proposed Transactions are implemented they will be implemented in accordance with the stated terms;
- The legal mechanisms to implement the Proposed Transactions are correct and effective;
- There are no undue changes to the terms and conditions of the Proposed Transactions, or complex issues unknown to us; and
- Other assumptions, as outlined in this Report.

Wellness has acknowledged that the Company's engagement of BDO is as an independent contractor and not in any other capacity including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of information provided by the Board, executives and management of all the entities.

3.4 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Wellness. BDOCF is not responsible for updating this Report following the shareholders' meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

3.5 Reliance on information

Wellness recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF or any of the partners, directors, agents or associates (together **'BDO'**), will be using and relying on publicly available information and on data, material and other information furnished to BDO by Wellness, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether or not the Proposed Transactions are fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable and in the best interests is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the reliability of the information. However, in many cases, the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The authorised representatives of Wellness represent and warrant to us, for the purpose of this Report, that all information and documents furnished by Wellness (either by management directly or through advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the authorised representatives of Wellness in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Wellness has agreed to indemnify BDO against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.6 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix D at the end of this Report.

All dollar ('**$**') references in this Report are in Australian dollars unless otherwise stated.

3.7 APES 225 *Valuation Services*

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 Valuation Services (**'APES 225'**). A Valuation Engagement is defined by APES 225 as *'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.8 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Stephen Seear and Tony Schiavello have prepared this Report with the assistance of staff members. Mr Seear and Mr Schiavello are directors of BDO with extensive experience in corporate advice and the provision of professional services to a diverse range of clients. Both Mr Seear and Mr Schiavello are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance (East Coast) Pty Ltd

Stephen Seear
Director

Tony Schiavello
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTIONS

1.0 Overview of the Proposed Transactions

This section is a summary only and should not be treated as a complete description of the Proposed Transactions. Shareholders should refer to the Notice of Meeting prepared by Wellness for detailed and additional information relating to the Proposed Transactions and the key parties involved.

1.1 Proposed Transactions

The Proposed Transactions contemplate the following:

- the acquisition of approximately 98% of the shares in Heat Group from Heat Holdings, and the issue of Shares to Heat Holdings as consideration;
- the acquisition of approximately 97% of the shares in Aware from Heat Holdings and other minorities, through the issue of shares and a series of transactions with other related parties;
- the $27.5m Public Offer at $1.87 per share, including the lodgement of the Prospectus with ASIC and the offering of Shares under the Prospectus; and
- other associated transactions which are explained in the Notice of Meeting.

Upon completion of the Proposed Transactions, Wellness will have 57,723,244 shares on issue, and the current non-associated Shareholders will be diluted from a 49.8% interest in the current shell company, to 1.8% in the 'Hiro' group. Shareholders should refer to the Notice of Meeting for a more detailed description of the various transaction steps and explanation of defined terms.

Our analysis of the Proposed Transactions has been completed under the advice and assumption that each of the transactions are interdependent, requiring approval for all if any are to proceed.

1.2 Key conditions precedent to Proposed Transactions

Completion of the Proposed Transactions remains subject to the following key conditions precedent:

- ASX approving the Reinstatement Application and agreeing to reinstate Shares to quotation on the ASX; and
- The Company obtaining the Shareholder approvals required to complete the Heat Acquisition, Aware Acquisition and support the Reinstatement Application (being the shareholder approvals to be sought at the General Meeting).

1.3 Strategic rationale

1.3.1 Existing distribution networks

Heat Group and Aware's existing distribution networks will be combined under Wellness after the Proposed Transactions. Historically, Heat Group has distributed to pharmacies and major retailers, while Aware has primarily distributed its brands through the major supermarket chains. Although there is some overlap, the combined networks will enable Wellness to reach an increased number of customers.

1.3.2 Local manufacturing capability

Completion of the Proposed Transactions will give Wellness local manufacturing capability through Aware's existing manufacturing sites at Dandenong, Victoria. This capability will allow Wellness to create new specialised brands and products, rather than being a general distributor of agency goods or relying on third party manufacturing.

There is currently significant excess capacity in the manufacturing assets, providing an opportunity for future volume expansion without major capital investment. Wellness is planning to integrate the existing manufacturing sites into a single location in early 2023, with some works currently underway.

1.3.3 Sustainability trend exposure

Following the Proposed Transactions, Wellness will be rebranded as Hiro and pivot to focus on the local manufacturing and retailing of sustainable goods. The business model will seek to take advantage of the recent trend consumers have shown for Australian-made, sustainable products over traditional, less environmentally conscious products.

2.0 Background of Wellness

2.1 Overview

Wellness was formerly known as Total Face Group Limited and first listed on the ASX in January 2016. After making a number of acquisitions the Company changed its name to Wellness and Beauty Solutions Limited in November 2018.

Wellness provided non-invasive and non-surgical cosmetic treatments in Australia. The Company operated through three segments; a network of clinics and spas that provided non-invasive medical aesthetic treatments and complementary wellness and beauty services (**'Immersion Clinical Spas'**), a consumer brands segment that developed, manufactured and sold various beauty products (**'The Giving Brands Company'**), and a brand distributor to clinics, salons and spas across Australia and New Zealand (**'True Solutions'**). Wellness also owned half of an incorporated joint venture company, Micro19 Pty Ltd (**'Micro19'**), which produced hand sanitiser.

In March 2020 the COVID-19 pandemic forced the closure of Immersion Clinical Spas. In order to address its capital structure following the effects of the pandemic, the Company:

- Issued 96m shares following the conversion of convertible notes worth c.$1.5m;
- Raised c.$1.3m via share placement with 163m shares issued;
- Amended maturity dates on outstanding convertible notes to October 2021;
- Raised c.$222k through a share purchase plan; and
- Converted a c.$191k loan to equity.

The Company entered into an agreement to sell Immersion Clinical Spas on 20 September 2020, however the transaction failed to complete and was eventually abandoned.

On 1 February 2021 it was announced to the market that the securities of Wellness would be suspended from trading following non-lodgement of its December 2020 quarterly report. It was also announced that the Company was in discussion with parties in relation to securing a funding agreement to provide additional working capital. On 30 March 2021 Wellness voluntarily appointed Laurence Fitzgerald of William Buck as Administrator.

On 25 October 2021 Shareholders approved the recapitalisation of Wellness which resulted in the Company issuing 68,000,000 new fully paid ordinary shares to Heat Holdings. Existing Shareholders were diluted to a 49.8% ownership in the Company, with Heat Holdings owning the remaining 50.2%. Approval of the recapitalisation allowed the Company to execute the DOCA resulting in Wellness exiting administration. On 10 February 2022 Wellness announced to the market the completion of the DOCA (following shareholder approval of the DOCA on 25 October 2021).

2.2 Equity structure

Wellness has one class of fully paid ordinary shares currently outstanding. Following approval of the recapitalisation, Wellness had 135,409,259 shares on issue, with 68,000,000 held by Heat Holdings and the remaining 67,409,259 held by the Shareholders.

Table 3: Shareholder structure (before Proposed Transactions)

	Shares	%
Existing shareholders	67,409,259	49.8%
BRC	68,000,000	50.2%
Total	**135,409,259**	**100.0%**

Source: Hiro Acquisition Steps (2022.04.20 v2)

2.3 Historical financial information

This section sets out the relevant historical financial information of Wellness. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in the annual reports, including the full statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows.

Wellness' recent exit from administration (following the recapitalisation in October 2021 and completion of the DOCA in February 2022), combined with the existence of the Company as a listed shell (although not currently trading), limits the relevance and comparability of any historical financial information. We have therefore chosen only to show historical financial information in the period following the recapitalisation.

2.3.1 Latest Management profit and loss (1H FY22)

Table 4: Management trading summary

$'000	1H FY22
Revenue	-
Contract labour costs	(15)
Consulting and professional costs	(273)
Premises occupancy expense	(33)
Other operating expenses	(656)
EBITDA before exceptional Items	**(977)**
One off Exceptional Items	8,018
Depreciation & Amortisation	-
EBIT	**7,041**
Borrowing costs	(9)
Net profit/(loss) before tax	**7,032**
Income Tax Benefit/(Expense)	-
Net profit/(loss) after tax	**7,032**

Source: HIRO AIP Financials v3

With reference to the table above, we note the following:

- Wellness recorded no revenue in the 1H FY22 period. This is consistent with its non-operating status following the completion of the DOCA.
- Consulting and professional costs primarily relate to fees associated with completion of the DOCA.
- Other operating expenses included $515k of accounting and bookkeeping expenses.
- Other income (One off Exceptional Items) predominantly relates to debt forgiveness ($7.7m) obtained as part of the DOCA.

2.3.2 Latest Management statement of financial position (31 December 2021)

Table 5: Management statement of financial position

$'000	31-Dec-21
Current assets	
Trade and other receivables	31
Total current assets	**31**
Non-current assets	
Total non-current assets	**-**
Total assets	**31**
Current liabilities	
Trade and other payables	(593)
Interest-bearing loans and borrowings	(126)
Total current liabilities	**(719)**
Non-current liabilities	
Total non-current liabilities	**-**
Total liabilities	**(719)**
Net assets	**(688)**
Equity	
Contributed equity	46,595
Reserve	225
Retained earnings	(47,508)
Total equity	**(688)**

Source: HIRO AIP Financials v3

With reference to the table above, we note the following:

- Wellness did not have cash on its balance sheet, consistent with the non-operating status of the Company.
- Trade and other payables consist of accounts payable ($0.4m), GST payable ($0.1m) and accrued expenses ($0.1m).
- Interest-bearing loans and borrowings represent the face value of convertible notes issued as part of the DOCA.
- The significant retained losses balance (-$47.5m) highlights the historical financial difficulties Wellness faced before the appointment of administrators.
- Wellness has substantial tax losses which are not recognised on the balance sheet, as there is uncertainty as to whether these losses can be utilised going forward.

2.3.3 Latest Management statement of cash flows (1H FY22)

Table 6: Management statement of cash flows

$'000	1H FY22
Cash flows from operating activities	
Cash receipts from customers	44
Payments to suppliers, employees and others	(773)
Net cash flow from operating activities	**(729)**
Cash flow from investing activities	
Proceeds from sale of property, plant and equipment	647
Net cash flow from investing activities	**647**
Cash flow from financing activities	
Net proceeds from (repayment of) borrowings	(408)
Proceeds from issue of capital	473
Net cash flow from financing activities	**65**
Net increase/(decrease) in cash held	**(17)**
Cash at the beginning of the financial period	17
Cash at the end of the financial period	**-**

Source: HIRO AIP Financials v3

With reference to the table above, we note the following:

- Cash flow movements primarily relate to the DOCA and associated transactions, including:
  - Payments to advisors and employees;
  - Sale of Company assets by the administrator;
  - Repayment of borrowings through DOCA funds; and
  - Issue of capital from completion of the DOCA.

3.0 Background of Heat Group

3.1 Overview

Heat Group was founded in 2000 and is based in Melbourne. The business and operations commenced with a distribution contract for Procter & Gamble.

Heat Group develops brands in-house but also acquires brands outright. The company has brands across beauty, healthy living and confectionery, although confectionary is now considered non-core and product lines are being reduced. Heat Group manages the marketing and sales distribution for products, predominantly across Australia and New Zealand. From 2001 to 2021, Heat Group has gradually accumulated a portfolio of distributed and owned brands in the wellness, beauty and cosmetics space.

Heat Group's owned brand portfolio includes ulta3 colour cosmetics, MUD colour cosmetics, Billie Goat, Fluerique, OZK.O Eyewear, Body Tools beauty accessories, Windsor men's grooming accessories and Medi-Manager health aids. Heat Group is also the exclusive Australian distributor for the essence brand of colour cosmetics, supplied by Cosnova GmbH.

In November 2016, Heat Group acquired Doward International, and with it has acquired a mix of owned and distribution brands, including iconic brands such as Mason Pearson, Simpkins, Mack's, Growth Bomb, Mr. Bright, the Wheat Bag and many more.

3.2 Business model

The company does not manufacture the products that it markets and distributes. Many of the products Heat Group distributes are manufactured and branded by its customers. In other cases, Heat Group arranges the contract manufacture of the products.

The strength of Heat Group's model lies in their existing distribution channels which stretch across supermarkets, department stores and a wide network of pharmacies.

Heat Group aims to develop and market brands specifically for a new generation of consumers, with a focus on being both up to date with trends, as well as being competitively priced. Many of Heat Group's product range concentrate on the theme of wellness and lifestyle, operating in the space of haircare, skincare, dental care, muscle and pain relief.

3.3 Product lines

Heat Group offers a range of product lines within the cosmetic and personal care space such as Billie Goat, Essence cosmetics, Fleurique, Growth Bomb, Mr Bright, Mud Make Up Design and ultra3.

Within the personal tools and accessories space Heat Group distributes brands such as Mack's, Mason Pearson, Medi Manager, OZK.O, the Wheat Bag and Windsor Grooming Accessories.

In the confectionery space, Heat Group distributes several mainstream brands, such as Darrell Lea, but is in the process of reducing its product lines in this category.

3.4 Customers and locations

Heat Group's brands can be found in Woolworths, David Jones, Target, BIG W, Priceline and across a network of over 4,000 pharmacies. Heat operates a paperless distribution centre from a leased warehouse and office in Scoresby, Victoria.

In FY21, the company had revenue of approximately $23m split between owned brands (approximately 44%) and third-party brands that it distributes (approximately 56%). Approximately 98% of sales are in Australia, with 2% in New Zealand and a small volume of sales in the United Arab Emirates.

Approximately 74% of Heat Group's FY21 revenue was from sales to pharmacies, with the balance from sales to other retailers (24%) and online sales (2%).

4.0 Background of Aware

4.1 Overview

Aware was founded in 1994 and is an Australian creator, manufacturer and distributor of eco-responsible household consumer products in the personal care, cosmeceuticals, cosmetic and homecare markets. In addition to selling its own range of brands, such as Orange Power and Organic Choice, Aware is one of the leading contract manufacturers of domestic and international personal care, cosmetics and TGA registered products in Australia.

Aware's products have a focus on natural, organic & environmentally responsible ingredients. The company's product ranges are palm oil free, cruelty free and Australian made, with the goal of being effective, safe and environmentally friendly. Its vision is to be Australia's most ethical maker of sustainable household consumer products and to continue producing Australian products that make it simple for people to live a greener lifestyle.

Aware also provides end-to-end product development for third party brand owners. Typically, Aware retains the rights to any IP generated through product development, creating customer retention and ensuring cost control. This also allows the company to leverage formulations across its business.

4.2 Business model

Aware provides three key services, all of which are centred on the company's manufacturing capability:

- Manufacture and distribution of company own brands;
- End-to-end product development for third party brand owners; and
- Contract manufacturing

4.3 Product lines

Aware's own major brands include Orange Power, Aware Sensitive, Organic Choice and Naked Bean. The company also manufactures the Actizyme brand under a licence. Aware also has contract manufacturing agreements for a range of products, such as Thank You, Redwin, Rosken, Lacura (Aldi), Sard, Brutal Truth and LPO (Coles).

Orange Power is an eco-friendly air freshener free from harsh chemicals like chlorine bleach and ammonia, and instead uses plant based, renewable ingredients to effectively clean homes without harming the environment.

Aware Sensitive was the first Australian laundry brand available in supermarkets to remove palm oil from its ingredients. The range includes products with low allergy, sensitive formulas perfect for adults and children with allergies and skin conditions.

The Organic Choice range includes household cleaning, laundry and air freshener products that combines blended organic aromatic essential oils. Organic Choice uses ingredients sourced from sustainable, natural ingredients.

Actizyme is the only effective drain cleaner on the market that doesn't use toxic caustic soda. Instead, it uses natural enzymes to break down matter, preserving bacteria needed for the drain system to work effectively.

4.4 Customers and locations

Aware operates its own manufacturing facilities in Dandenong, Victoria and sells its products through major supermarkets, pharmacies, hardware stores, gift shops and major retailers. The manufacturing facility is on a 15-acre site with significant excess capacity and is capable of material expansion.

In FY21 Aware had revenue of approximately $72m, split approximately between 65% in contract manufacturing and 35% in owned brands, primarily sold through groceries and supermarkets.

Each contract manufacturing customer is engaged through a formal supply contract, with Aware outlining the terms of business.

5.0 Profile of Wellness (Hiro - post-Proposed Transactions)

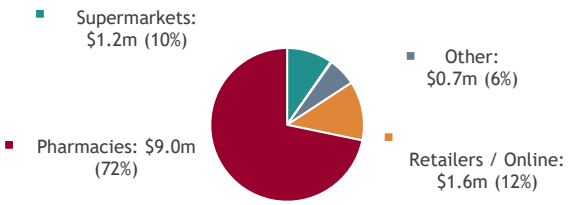
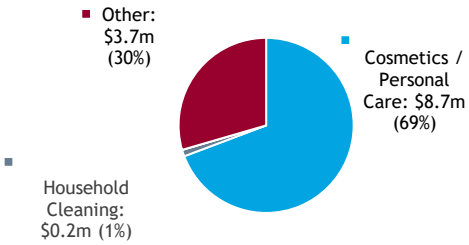
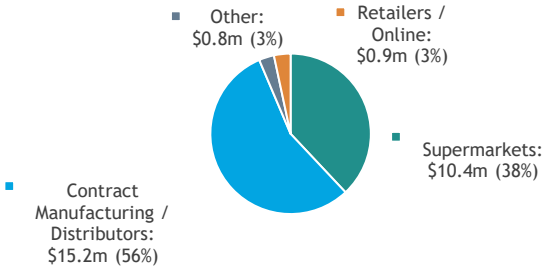
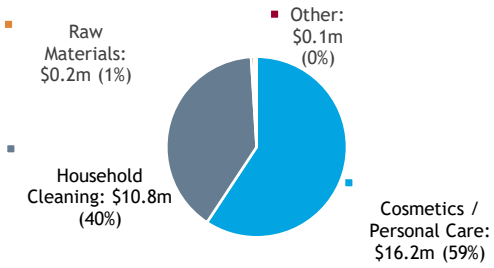
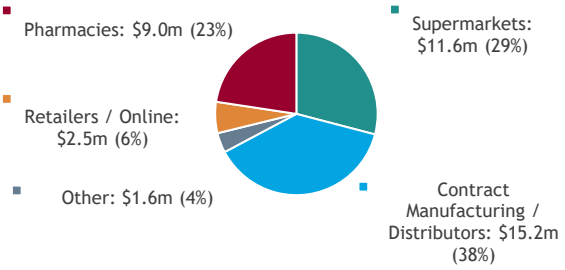
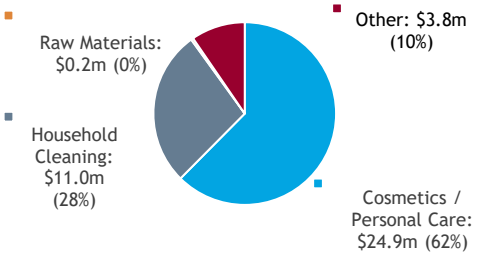
5.1 Business overview

Upon reinstatement to quotation on the ASX and subject to shareholder approval the company intends to rebrand as "Hiro Brands". It is intended that Hiro combines the existing businesses of Aware and the Heat Group into an integrated, fast moving consumer goods company, that will be a leading local manufacturer and distributor of 'better for the planet and better for consumers' personal care, cosmetics, cosmeceutical and household cleaning products. The strength of the Hiro business model will be underpinned by the combined retail distribution network of Heat Group and Aware, the large-scale local manufacturing capability of Aware and a wide-ranging portfolio of brand content.

Heat is primarily focused on pharmacies, while Aware is predominately focused on supermarkets and mass market retailers. Strategically leveraging Hiro's distribution channels of more than 7,000 retailers is expected to create cross-selling opportunities. Management also intends to grow Hiro's eCommerce platform, with the potential to expand the existing B2B capability into a direct-to-consumer model.

A summary of the distribution channels and product categories of Heat Group, Aware and the combined group is shown below.

Table 7: Summary of distribution channels and product categories

Entity	Distribution Channel	Product Category
Heat		
Aware		
Hiro		

Source: Management, BDO analysis, based on gross sales for HY December 2022.

Contract manufacturing for third parties currently represents approximately 45% of total revenue for the Hiro group (based on 1H FY22). Manufacturing of owned brands accounts for a further 14%. With current utilisation at around 30%, there is significant latent capacity to increase manufacturing volumes. Management will also be identifying opportunities to manufacture Heat brands where possible.

Additional synergies for the new group include Aware's manufacturing and TGA compliance capabilities (which currently represent <5% of manufacturing volumes) being made available for Heat Group's product development and production, as well as potential location reorganisation given the sizable and underutilised premises of Aware in Dandenong South, Victoria.

5.2 Ownership structure

The resulting ownership structure of Wellness (before and after the Proposed Transactions) is summarised below.

Table 8: Wellness ownership structure (pre-transactions)

	Pre-transactions	
Shareholder	Shares	%
Existing shareholders	67,409,259	49.8%
Heat Holdings	68,000,000	50.2%
Total	**135,409,259**	**100.0%**

Source: Deed of Company Arrangement, 210331_WNB_Share_Register

Table 9: Wellness ownership structure (post-transactions)

		Post-transactions	
Shareholder	Note	Shares (#)	Shares (%)
Existing shares on issue (excluding Heat Holdings)	1	1,037,066	1.80%
Existing shares held by Heat Holdings	2	1,046,154	45.56%
Shares issued to Heat Holdings (in connection with the Heat Group and Aware acquisitions)	3	25,253,227	
Shares issued to Aware Vendors upon conversion of Aware Convertible Notes	4	214,480	0.37%
Shares issued to Aware Related Party Creditors upon the conversion of RPC Convertible Notes	5	4,075,118	7.06%
Shares issued to Elevon upon the conversion of Elevon Convertible Notes	6	953,846	1.65%
Shares issued to Seed Investors upon the conversion of Seed Convertible Notes	7	10,040,504	17.39%
Shares expected to be issued pursuant to the Public Offer	8	14,738,990	25.53%
Shares issued to DOCA Creditors upon the conversion of DOCA Convertible Notes	9	107,193	0.19%
Director Shares	10	256,666	0.44%
Total		**57,723,244**	**100.00%**

Source: Notice of Meeting
Note: The above table represents the indicative capital structure following the completion of the Offer. Amounts and percentages may vary slightly.

Notes:

1. The shares held by existing historical shareholders (excluding Heat Holdings and adjusted for the 1:65 consolidation).
2. The shares held by Heat Holdings (prior to the issues of any shares in connection with the Heat Acquisition or Aware Acquisition (adjusted for the 1:65 consolidation).
3. The shares to be issued to Heat Holdings in connection with the acquisitions of Heat Group and Aware.
4. The shares to be issued to the Aware Vendors on conversion of their Aware Vendor Convertible Notes in connection with the Aware Acquisition.
5. The shares to be issued to the Aware Related Party Creditors on conversion of their RPC Convertible Notes, in connection with the Aware Acquisition.

6 The shares to be issued to Elevon on conversion of their Elevon Convertible Notes, in connection with the Aware Acquisition as Elevon's success fee.

7 The shares to be issued to Seed Investors on conversion of their Seed Convertible Notes, in connection with the various seed round capital raisings undertaken by the Company. We have been advised that all seed capital has been fully advanced from Heat Holdings to Heat Group or Aware as at 31 December 2021, or has otherwise been committed to funding operations up to the date of this report.

8 The shares expected to be issued to new investors in the Company pursuant to the Public Offer under this Prospectus.

9 The shares to be issued to the DOCA Creditors on conversion of their DOCA Convertible Notes, in connection with the DOCA.

10 The shares to be issued to Mr David Botta, Mr Steven Chaur and Mr Chris Zondanos as part of their remuneration packages as directors/CEO (and ex-CEO in the case of Mr Chris Zondanos) of the Company.

5.3 Directors and key management

Board members following the Proposed Transactions are listed in the table below.

Table 10: Board of directors

Name	Role
Garry Hounsell	Independent Non-Executive Chairperson
Steven Chaur	Managing Director & CEO
Margaret Lyndsey Cattermole, AM	Non-Executive Director
David Botta	Non-Executive Director
Paul Docherty	Non-Executive Director
Amber Collins	Non-Executive Director

Source: Prospectus

The table below lists the relevant senior management and summarises their relevant experience, qualifications, and background.

Table 11: Senior management

Name	Role	CV summary
Steven Chaur	Managing Director & CEO	Steven Chaur was appointed Managing Director and Chief Executive Officer of Wellness and Beauty Solutions Limited on 24 January 2022. Steven has experience in Fast Moving Consumer Goods strategy leadership, lean manufacturing, global distribution, consumer marketing, ASX financial oversight and governance. He has also led organisations operating in Pacific and global markets including New Zealand, Europe, China, UAE, Thailand, Japan, Singapore, Indonesia and the USA. Steven is also a current Non-Executive Director at Wingara AG Limited (ASX: WNR).
Albert Zago	Acting CFO	Albert was appointed Chief Financial Officer of Hiro Brands Ltd in March 2022. Prior to joining the Hiro Group, Albert held various senior executive positions in ASX listed and unlisted public companies such as Mitre 10 Australia Ltd and GUD Holdings Ltd and was Chief Financial Officer of Pental Ltd, Murray River Organics Ltd and Aware Environmental Ltd, and spent a decade at PricewaterhouseCoopers and Hall Chadwick in audit and business management roles.

Source: Prospectus

5.4 Pro forma financial information

The following pro forma financial information presented in this section reflects the following:

- The combined operations and statutory historical financial information of Heat Group and Aware, but excluding the historical discontinued operations of Wellness;
- Pro forma adjustments associated with the Proposed Transactions, including but not limited to:
  - Reclassification of financial information to align the presentation of financial information for Heat Group and Aware;
  - Incremental and ongoing costs of operating as a public company, including director fees, insurance for directors and officers, company secretarial fees, legal fees, audit fees, ASX listing fees and other ancillary costs;
  - Removal of licence fees and profit on sale previously recognised in relation to Actizyme, the assignment of rights to which forms part of the Proposed Transactions;
  - Elimination of trading activities between Heat Group and Aware; and
  - Adjusted finance costs to reflect the capital structure of Wellness after the Proposed Transactions.

The financial information does not capture the costs or benefits associated with achieving potential synergies.

In addition to the financial information presented in this section, we have also been provided with detailed financial information at a more granular level (e.g. monthly financials, revenue and margins at a customer and brand level). However, this level of detail is considered commercially sensitive and has therefore been withheld from this report.

At the time of preparing this report, we also note that PWC (as the auditor-elect for the Hiro Group) was in the process of undertaking a statutory audit for Aware in relation to the year ended 30 June 2021 and a review for the half year ended 31 December 2021. Aware was previously audited by PFK for these periods. We do not expect the re-audit of Aware's statutory financial to impact our analysis or the opinion presented in this report.

5.4.1 Pro forma profit and loss

Table 12: Pro forma profit and loss

$'000	FY20	FY21	1H FY22
Revenue	**101,315**	**95,761**	**34,703**
Raw materials and consumables used	(62,973)	(56,753)	(19,545)
Employee benefits expense	(31,729)	(28,409)	(11,238)
Contract labour costs	(373)	(251)	(165)
Consulting and professional costs	(1,600)	(1,905)	(1,109)
Advertising and promotion expense	(2,495)	(1,734)	(1,100)
Freight and distribution expenses	(2,726)	(3,136)	(1,364)
Premises occupancy expense	(678)	(897)	(612)
Utilities, rates and taxes	(1,039)	(1,203)	(352)
Repairs and maintenance	(865)	(649)	(154)
Insurances	(707)	(801)	(363)
Information technology and communications	(393)	(364)	(196)
Other operating expenses	(6,143)	(5,802)	(2,278)
EBITDA before exceptional Items	**(10,408)**	**(6,143)**	**(3,773)**
One off exceptional items	(7,399)	(4,606)	(415)
Depreciation & amortisation	(5,894)	(6,406)	(3,226)
EBIT	**(23,701)**	**(17,156)**	**(7,414)**
Borrowing costs	(2,873)	(2,839)	(819)
PBT	**(26,574)**	**(19,995)**	**(8,233)**
Income tax benefit/(expense)	(1,779)	-	-
NPAT	**(28,353)**	**(19,995)**	**(8,233)**

Source: Heat and Aware Financial Statements, Pro forma adjustments, BDOCF analysis

With reference to the table above, we note the following:

- Revenue decreased from FY20 to FY21, and more so from FY21 to the 1H FY22 period. Revenue decline was due to the following:
  - Loss or changes of distribution and manufacturing contracts, directly impacting trading volumes;
  - Discontinuing less profitable, non-core product lines and decline of transient income (such as a spike in revenue from hand sanitisers);
  - Poor performance of customer products on Australian shelves and in the export market, due to Covid-19 influenced market conditions, including increased competition and reduced exports to China, subdued contract manufacturing activities in FY21 and 1H FY22; and
  - Limited availability of funds inhibiting Aware's ability to purchase raw materials to provide contract manufacturing services.
- Raw materials and consumables used declined at a faster rate than revenue, reflecting the write-off of slow moving / obsolete inventory in FY20 and FY21 and rationalisation of less profitable product lines.
- One off exceptional items in FY20 and FY21 largely pertained to impairments of goodwill associated with underperforming brands acquired historically. This was somewhat offset by Covid-19 related government subsidies.
- Depreciation & amortisation and borrowing costs largely represent the lease payments and implicit interest costs associated with Aware's 15-acre manufacturing facility, which is held under a long-term lease and accounted for in accordance with AASB 16 *Leases*.
- The pro forma group was loss making in the last 2.5-year period. However, it should be noted Heat Group and Aware have only been under common control since October 2021, and none of the potential synergies are reflected in the historical financial information presented above. Cost synergies are likely to be available in the near-term, including leveraging underutilised warehouse space, eliminating duplicate of operations and general overheads and leveraging latent manufacturing capacity to manufacture Heat brands where possible. Moreover, management expect there will be further growth synergies, including leveraging the larger customer network, aligning product development and marketing capability etc.

5.4.2 Pro forma statement of financial position

Table 13: Pro forma statement of financial position

$'000	31-Dec-21
Current assets	
Cash and cash equivalents	17,826
Trade and other receivables	8,749
Inventories	9,453
Other Assets	493
Total current assets	**36,521**
Non-current assets	
Trade and other receivables - NC	141
Property, plant and equipment	12,767
Customer contract assets	186
Intangibles	12,560
Right-of-use assets	29,874
Total non-current assets	**55,528**
Total assets	**92,049**
Current liabilities	
Trade and other payables	(15,477)
Interest-bearing loans and borrowings	(11,077)
Lease liabilities	(2,495)
Provisions	(1,580)
Total current liabilities	**(30,629)**

$'000	31-Dec-21
Non-current liabilities	
Interest-bearing loans and borrowings - NC	(469)
Lease liabilities - NC	(31,204)
Provisions - NC	(207)
Total non-current liabilities	**(31,880)**
Total liabilities	**(62,509)**
Net assets	**29,539**
Equity	
Contributed equity	99,849
Reserve	(18,020)
Retained earnings/(accumulated losses)	(52,290)
Total equity	**29,539**

Source: Heat and Aware Financial Statements, Pro forma adjustments from Management, BDOCF analysis

With reference to the table above, we note the following:

- Pro forma adjustments raised by Management to reflect the Proposed Transactions include:
  - Acquisition and consolidation of Aware and Heat Group by Wellness in accordance with the applicable accounting standards;
  - Purchase of the Actizyme brand under Heat Group's distribution business;
  - Conversion of notes recognised on Aware, Heat Group and Wellness' balance sheet at 31 December 2021, and notes issued by Wellness as part of the Proposed Transactions;
  - Reclassification of line items to ensure alignment to Hiro's reporting format going forward;
  - Restructuring of external debt held by Aware and Heat Group as part of the Proposed Transactions; and
  - Expected proceeds from the Public Offer ($27.5m).
- Cash and cash equivalents can be attributed to the Offer proceeds, which are partly committed to acquiring Aware, purchasing the Actizyme brand paying down external debt and funding other transaction costs. The balance of cash will be used to fund activities associated with the integration of the businesses, including marketing, technology and other working capital requirements.
- Intangibles recognised at 31 December 2021 only comprised of goodwill from historically acquired brands. No goodwill was assumed upon the acquisition of Aware and Heat Group by Wellness, as AASB 3 *Business Combinations* does not apply to combinations of businesses under common control (noting Heat Group and Aware are currently commonly controlled by Heat Holdings).
- Lease liabilities primarily resulted from Aware's 15-acre manufacturing facility mentioned above. The lease period is for 20 years, which commenced on 29 April 2019. An option for a further 10-year term is available. Rent rates began at $1.5m plus GST per annum, increasing at 3% at each anniversary of the commencement date.
- All entities that comprise the Hiro group have substantial carry forward tax losses (Wellness: $15.4m; Heat Group: 17.2m; and Aware: $5.1m – based on the latest lodged tax returns for each entity). The availability of these losses to offset future income is subject to the Australian taxation rules. We understand that the losses from the Heat Group are the most likely to be available given the likelihood of satisfying the 'continuity of ownership' test.

5.4.3 *Pro forma statement of cash flows*

Table 14: Pro forma statement of cash flows

$'000	FY20	FY21	1H FY22
Cash flows from operating activities			
Cash receipts from customers	103,492	107,611	39,688
Payments to suppliers, employees and others	(114,534)	(106,723)	(40,536)
Borrowing costs	(1,080)	(2,557)	(860)
Income tax (paid) / received	586	(161)	161
Net cash flows from operating activities	**(11,535)**	**(1,830)**	**(1,547)**
Cash flows from investing activities			
Payments for investments	(1,249)	(375)	-
Proceeds from sale of property, plant and equipment	-	44	9
Purchase of property, plant and equipment	(3,997)	(2,372)	(1,464)
Payment for Intangible assets	(1,185)	(1,144)	(167)
Net cash flows from investing activities	**(6,432)**	**(3,847)**	**(1,622)**
Cash flows from financing activities			
Net proceeds from (repayment of) borrowings	2,907	(422)	730
Net loan from related parties	559	130	-
Repayment of lease liabilities	(2,713)	(2,493)	(1,362)
Proceeds from other loans	-	151	528
Repayment on other loans	(1,284)	(1,450)	(772)
Proceeds from issue of capital	4,766	-	-
Net cash flows from financing activities	**4,234**	**(4,085)**	**(876)**
Net increase/(decrease) in cash held	**(13,732)**	**(9,762)**	**(4,045)**

Source: Heat and Aware Financial Statements, Pro forma adjustments, BDOCF analysis

With reference to the table above, we note the following:

- Pro forma adjustments raised by Management to reflect the Proposed Transactions include:
  - Incremental and ongoing costs of operating as a public company, including director fees, insurance for directors and officers, company secretarial fees, legal fees, audit fees, ASX listing fees and other ancillary costs;
  - Removal of proceeds on sale previously recognised in relation to the Actizyme brand;
  - Elimination of the minimal trading activities between Heat Group and Aware in the historical period; and
  - Adjustments for debt proceeds received and finance cost savings, which have been planned to be restructured or converted into equity, to reflect the capital structure of Wellness after the Proposed Transactions.
- Negative cash flows from operating activities have improved substantially from FY20 but remain negative in FY21 and 1H FY22.
- The Company has relied on capital injections, predominately from related parties, to fund the business in the historical period. A significant proportion of these capital injections were removed as part of Management's pro forma adjustments to reflect Hiro's go forward capital structure, resulting in the net decrease in cash held positions in each of the financial periods presented above.

6.0 Industry Overview

Heat Group and Aware operate in the consumer products industry, acting across beauty, healthy living, sustainable household products and confectionery. Heat Group is focused on the marketing and distribution of in-house and third-party brands, while Aware's manufacturing capability allows it to manufacture its own sustainable household product brands, as well as provide contract manufacturing services to third parties. The integrated business, Hiro, will focus on the manufacture, distribution and sale of cosmetic, personal care and household care consumer products.

This section sets out an overview of the relevant aspects of the consumer products industry and the sustainable products market. The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe.

For information obtained from IBISWorld specifically, we have had regard to multiple reports, as the combined operations of Heat Group and Aware span over several sectors covered by IBISWorld. These reports include '*Cosmetic & Toiletry Retailing in Australia*', '*Cosmetics, Perfume & Toiletries Manufacturing in Australia*', '*Cleaning and Maintenance Supplies Distributors in Australia*' and '*Soap and Cleaning Compound Manufacturing in Australia*'. BDO has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a broad guide only.

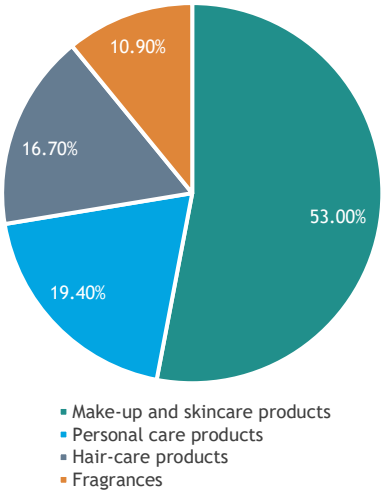
6.1 Cosmetic and toiletry products

6.1.1 Overview

The cosmetic and toiletry retailing industry in Australia encapsulates all businesses that provide goods in the cosmetics, perfumes, haircare, make-up, skincare, oral hygiene and personal grooming space. The cosmetic and toiletry retailing industry sells thousands of cosmetic and toiletry brands through specialty retail stores. Industry retailers include specialty cosmetics stores, perfume and fragrance stores and beauty supply stores.

Major players in the retail space include Mecca Brands Pty Ltd and Australian Pharmaceutical Industries Limited each accounting for 15.4% and 6.2% of total industry revenue respectively. Total industry revenue was valued by IBISWorld at $4.3b in 2021. The largest contributor of revenue in the industry in 2021 came from the make-up and skincare products space accounting for 53.0% of total industry revenue. This was followed by personal care products and hair-care products each accounting for 19.4% and 16.7% respectively. The sales in this market have grown at around 0.2% from 2016 to 2021 and are expected to grow at 1.8% over the next five years until 2026.

Retail revenue breakdown (2021)



Major manufacturers of cosmetic and toiletry products include Unilever Australia Group Pty Ltd (market share of 14.4%), Ego pharmaceuticals Pty Ltd (6.1%) and Pola Orbis Jurlique Holdings Pty Ltd (5.0%). The manufacturing industry has experienced revenue growth of an annualised 5.5% over the past five years to reach $1.9b. Contributors to revenue are broadly aligned to retail, with make-up and skincare products contributing the majority of industry revenue (68.2%).

Eco-friendly product lines have spurred demand in an otherwise mature and saturated market. New products include natural, organic and green products; face masks, spa-at home products; fusion items such as cosmeceuticals and nutritional cosmetics. Some operators have also targeted millennial consumers with new multifunctional and fusion products and more independent personalised brands. Beauty and wellness trends have also been shown to be converging. With consumers increasingly preferring beauty products with a clean image with greater emphasis on hygiene and safety.

With generation "next" increasingly highly aware and focused on current day sustainability issues as well as being more willing to do more to contribute towards living sustainably. There has been a global shift in consumer behaviour that has been driving demand and education into environmentally sustainable brands and products. The sustainable product market continues to grow and develop as consumers not only change their own buying habits but also place an expectation on businesses and organisations to trade and operate more sustainably. Hiro aims to be a leading platform for validated and certified sustainable products used by the everyday consumer. The company aims to become a key marketing partner, distribution channel and platform provider for the industry.

6.1.2 Key external drivers

Key external drivers of the industry include the following:

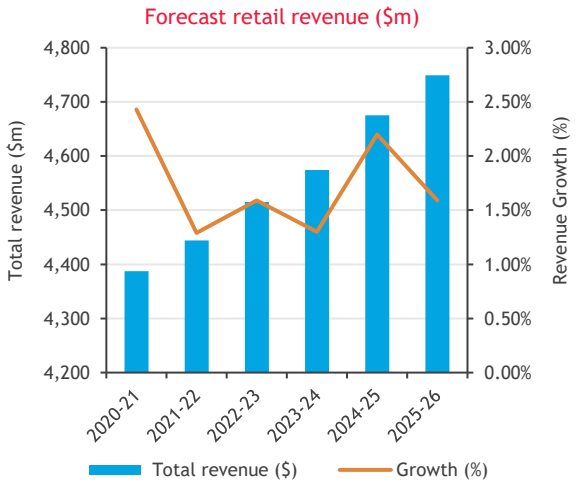
- **Demand from supermarkets and grocery stores:** Specialty stores have faced increasing pressure from supermarkets who have expanded their cosmetics and personal grooming product ranges over the past five years, making inroads into the industry. Demand from supermarkets and grocery stores is expected to slightly increase in the coming year.
- **Female population aged 18 and older:** Despite the growing range of personal-care items for men, female consumers remain the largest target market for retailers. As the number of females aged over 18 increases, demand for cosmetic and skincare products tends to increase. The female population aged 18 and over is expected to rise slightly to an estimated 10.2 million people in the coming year.
- **Real household discretionary income:** Changes in household discretionary income influence demand for industry products. Typically, consumers splurge on premium brands, non-essential products and higher end cosmetics when discretionary incomes rise. It is expected that discretionary incomes rise in the short-term.
- **Consumer sentiment:** Consumer sentiment can reflect changes in demand for industry products. When consumer sentiment is positive, consumers tend to purchase more expensive products. When sentiment is low or negative, consumers are more likely to downgrade or postpone purchases. Consumer sentiment is expected to fall in the near term amid rising inflation and interest rates.

The sustainability industry in Australia has been growing as consumers become increasingly aware of sustainability and environmental issues. Current trends suggest that younger generations are more concerned about sustainability and are willing to do more to contribute positively towards environmental and sustainability issues. Although the COVID-19 pandemic has interrupted growth in industry performance of the Australian cosmetic and toiletry retailing industry, the increased interest in green beauty products, cruelty free and wellbeing products have underpinned consumer demand for new product lines.

6.1.3 Overall outlook

The operating environment for firms and businesses post the COVID-19 pandemic is predicted to be noticeably different. The previous try-before-you-buy shopping experiences using conventional in-store product testers will likely be no longer viable due to potential COVID-19 contagion risks. Technology driven marketing and contactless store shopping will likely be used. With retailers pursuing more effective integration of offline and online channels to provide a seamless shopping experience, boosting the digital interaction. This includes leveraging the influence of social media and websites such as Instagram, Facebook, Snapchat and online beauty blogs and videos to market their products and brands. There have also been changing consumer behavioural patterns following the pandemic with consumers becoming more and more focused on holistic health and wellness together with an increasing social trend for clean and ethical beauty products.

Industry revenue of the cosmetics and toiletry retailing industry is forecasted to rise at an annualised pace of 1.8% over the next five years to $4.7 billion. However, industry profit margins are expected to remain modest over the same period due to intense competition internally and externally within the industry. This includes competition from online rivals as well as the entrance of supermarkets, large-scale and discount pharmacies into the cosmetic products and fragrances space. These rivals have introduced heavy discounting, mobile app promotions, free postage and gifts with purchases. Falling prices and growing competition have therefore placed downward pressure on industry profit margins. However, industry operators have countered this with the introduction of new premium products and associated beauty services in an effort to value-add and offset negative industry trends.



New personalised beauty products and emerging demand for green, cruelty-free products as well as products that take a more holistic approach to beauty and wellness are projected to support revenue growth over the coming years. A key driving force in industry performance over the past five years has been the introduction of new innovative products with upstream manufacturers encouraging consumers to upgrade purchases to niche and premium products.

Issues hindering the eco-friendly products industry include the perceived higher prices and lower quality of sustainable eco-responsible products compared to conventional counterparts. With cost as one of the key factors preventing consumers from purchasing sustainable products. In addition, some consumers have desired more transparency from businesses on the ultimate environmental impact of their products.

6.2 Household cleaning products

6.2.1 Overview

The household cleaning product industry comprises of companies that manufacture various cleaning products, including soaps, detergents, surfactants, polishes, and specialty cleaning preparations. The products are then sold downstream to household markets.

The industry has recently been characterised by strong product innovation, with a focus on reformulated, repackaged and environmentally friendly products as consumers become more aware of sustainability issues. There has also been a short-term spike in demand for industry products, such as antibacterial hand sanitiser, liquid soap and disinfecting wipes following the outbreak of COVID-19.

A major player in the market is Unilever Australia Group Pty Ltd, which sells cleansing and hygiene products through its Jif, Omo and Domestos brands, among others. Another major player is Pental Limited, which has positioned itself as an Australian-made, low-cost manufacturer.

6.2.2 Key external drivers

Key external drivers of the industry include the following:

- **Focus on personal hygiene:** A greater focus on personal hygiene drives demand for industry products, such as antibacterial hand sanitiser and disinfecting wipes. An increased focus on personal hygiene amid fears of other potential pandemics is forecast to boost industry growth.
- **Public concern over environmental issues:** Ethical consumerism trends and concerns about the environmental impact of certain detergents and surfactants influence the industry. However, environmental concerns have led to some consumers purchasing high margin green products, which supports industry revenue. Public concern over environmental issues is expected to continue to increase.
- **Real household disposable income:** When household disposable income is low, consumers tend to purchase cheaper, lower value-added products. Conversely, rising incomes present an opportunity for industry operators, as consumers are more likely to purchase higher margin products, including green and more environmentally sustainable cleaning products.

6.2.3 Overall outlook

An increased focus on personal hygiene due to fears of possible future pandemics is forecast to boost industry growth. The industry has contended with numerous challenges over the past five years, including changes in the product value chain, consolidation, volatile raw material costs, and increasing environmental concerns. These variables will continue to constrain the industry's growth going forward. Trends favouring sustainability are forecast to encourage further changes in the industry. As demand for green products becomes more widespread and consumers become increasingly concerned about using artificial chemicals in day-to-day household products, the industry's focus on environmentally friendly products will intensify.

Local manufacturers have responded to the increased demand for hand sanitiser and hard-surface cleaning products with the introduction of new products. Product innovation has surged to satisfy health and environmental concerns, with sales projected to increase for environmentally friendly products, at the expense of more common chemical-based detergents and soaps. These products will likely target consumers seeking more convenient or more natural products.

7.0 Valuation Methodologies

7.1 Fairness assessment overview

For purposes of this Report and as mentioned in Section 2.2.1:

- The Proposed Transactions will be fair to the Shareholders if the post-transaction FMV of a share in Wellness on a minority basis is greater than the pre-transaction FMV of a share in Wellness on a 100% controlling basis.

The valuation methods commonly used for the above analyses are considered below.

7.2 Valuation methods

Details of common methodologies for valuing businesses and assets are included at Appendix B. The principal methodologies which can be used are as follows:

- Income approaches, i.e. discounted cash flow (**'DCF'**)
- Capitalisation approaches (also known as 'relative' valuation approaches)
- Asset based methods, i.e. net asset value (**'NAV'**)
- Quoted market prices (**'QMP'**).

RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

Set out below is a discussion of **the** valuation methods we consider appropriate for the purposes of undertaking the required valuations for our fairness assessment.

7.3 Valuation method for Wellness before the Proposed Transactions

As summarised below, we consider an asset based method to be the most appropriate valuation method for Wellness before the Proposed Transactions. Our conclusion was reached given the Company recently exited administration but has not operated since the Directors voluntarily appointed the Administrator on 30 March 2021, effectively existing as a listed shell company.

Listed shell companies can have notional value above what is reflected on their balance sheet due to potential cost savings associated with a back-door listing or similar transaction. The exact savings are transaction specific and dependent on the re-listing requirements, which we note have trended towards standard listing requirements, potentially reducing the listed shell benefits.

We do not consider any other method to be appropriate for the purposes of cross-checking our valuation. Income and capitalisation approaches inherently assume that the business is trading or is capable of trading, while a QMP valuation is not relevant given the Company has been suspended from trading since 1 February 2021.

Table 15: Selected valuation methods for Wellness (before the Proposed Transactions)

Methodology	Appropriate?	Explanation
Capitalisation approach	×	The capitalisation approach typically involves applying a multiple to future maintainable earnings of the business. Wellness has not operated since the Administrator was appointed. Further, the successful recapitalisation has left the Company without any operating assets or prospects.
Income approach (DCF)	×	The income approach requires a forecast of future earnings. As outlined above in the discussion of the capitalisation approach, the Company has no current operating prospects. Therefore, we do not consider the income approach to be appropriate for valuing Wellness.
Asset based valuation	✓	An asset-based valuation approach is typically used where the subject company is loss making (or not making enough profit), not a going-concern, a holding company or it holds significant assets such that it is considered 'asset rich'. Wellness is a listed shell company with no standalone trading prospects following recapitalisation. Therefore, we consider an asset-based valuation approach, and specifically a NAV approach to be the most appropriate, and only method, to value Wellness.
QMP valuation	×	The QMP methodology is only a relevant method for public companies, who are traded on a regulated and observable market. Wellness is a public company traded in an observable market, however the Company has been suspended from trading since 1 February 2021. At the time of being suspended, the significance of the financial troubles facing the Company weren't entirely clear to the market, with the securing of alternative financing a possibility. The Directors were unable to secure financing and subsequently appointed the Administrator on 30 March 2021.

7.4 Valuation method for Wellness after the Proposed Transactions

As summarised below, we consider a capitalisation approach to be the most appropriate valuation method for Wellness after the Proposed Transactions. Specifically, we consider revenue to be the most appropriate metric to capitalise. Our conclusion was reached through analysis of the historical pro forma operating performance of the Company. On a pro forma basis, Hiro achieved net losses at an EBITDA level across FY20, FY21 and HY22. Without positive maintainable earnings at a profit line an appropriate multiple is unable to be applied. Therefore, it is necessary to look to revenue as the relevant metric to capitalise.

We do not consider any other method to be appropriate for the purposes of cross-checking our valuation. Income approaches rely on detailed future forecasts which the Company does not currently have, asset-based valuation methods are most useful when the Company's future prospects are poor or the Company holds significant assets, while a QMP valuation is not relevant given the Company has been suspended from trading since 1 February 2021.

Table 16: Selected valuation methods for Wellness (after the Proposed Transactions)

Methodology	Appropriate?	Explanation
Capitalisation approach	✓	The capitalisation approach typically involves applying a multiple to future maintainable earnings of the business. Management have provided Hiro's historical pro forma financial information for FY20, FY21 and HY22 (includes Heat Group and Aware only). We have considered revenue to be the appropriate metric of which to capitalise.
Income approach (DCF)	×	The income approach requires a detailed forecast of future earnings. The Company does not currently have any detailed forecasts of future earnings. Therefore, we do not consider the income approach to be appropriate for valuing Wellness after the Proposed Transactions.
Asset based valuation	×	An asset-based valuation approach is typically used where the subject company is loss making (or not making enough profit), not a going-concern, a holding company or it holds significant assets such that it is considered 'asset rich'. After the Proposed Transactions Wellness is expected to be a going-concern. Therefore, we do not consider an asset-based valuation approach to be appropriate to value Wellness.
QMP valuation	×	The QMP methodology is only a relevant method for public companies, who are traded on a regulated and observable market. Wellness is a public company traded in an observable market, however the Company has been suspended from trading since 1 February 2021. At the time of being suspended, the significance of the financial troubles facing the Company weren't entirely clear to the market, with the securing of alternative financing a possibility. The Directors were unable to secure financing and subsequently appointed the Administrator on 30 March 2021.

7.5 Other valuation considerations

7.5.1 Future events and synergies

We have considered the pro forma Hiro business as at the date of this Report. Growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of our assessment. We have not considered special value in forming our opinion.

7.5.2 Minority basis

Undertaking the fairness assessment in accordance with relevant ASIC guidance requires that we compare the value of Wellness before the Proposed Transaction on a control basis with the value of Wellness after the Proposed Transactions on a minority basis.

In our valuation of Wellness after the Proposed Transactions we have selected a capitalisation multiple on a minority basis.

7.5.3 Search for comparable trading companies and comparable transactions

To select an appropriate revenue multiple in our valuation of Wellness, we have undertaken research relating to the following:

- Multiples derived from the trading of broadly comparable listed companies ('**Comparable Companies**'); and
- Multiples derived from sales transactions involving broadly comparable target companies ('**Comparable Transactions**').

We have sought to identify companies that operate with similar business models in similar markets. Specifically, we searched for Australian and New Zealand comparables in Capital IQ applying the industry classification of 'household and personal products':

- A total of six Comparable Companies were selected after companies with limited comparability and/or a lack of historical data were excluded; and
- A total of four Comparable Transactions carried out between 31 December 2016 and 31 December 2021, and with available financial information, were identified.

In relation to the Comparable Companies and Comparable Transactions sets, we note that:

- Pental Limited (**'Pental'**) is considered the most comparable company of the set to Aware. Pental manufactures, markets and distributes personal, household and commercial products. Similar to Aware, the company operates in the business to business (**'B2B'**) space but does have some B2C capability. Overall, the business model is very similar to Aware, with the exception of Aware's sustainability focus.
- McPherson's Limited (**'McPherson's'**) is considered the most comparable company of the set to Heat Group. McPherson's markets and distributes health, wellness and beauty products. The company operates in the B2B space in Australia, New Zealand and Asia. McPherson's is a direct competitor of Heat Group and also contracts the manufacturing of some of their products to Aware.
- We note that Pental and McPherson's trade on very similar multiples at the revenue level.
- Hiro, under Management's plan to create a sustainable product platform with an online presence, is comparable to BWX Limited (**'BWX'**). BWX develops, manufactures, markets and distributes natural body, hair and skin products. The company operates in both the B2B and B2C space, and sells direct to consumers through their e-commerce platform Flora & Fauna. If Management are able to execute their plan successfully then Hiro will become a key competitor to BWX.
- In determining an appropriate revenue multiple, we have also had regard to the debt profile of Wellness after the Proposed Transactions. Specifically, we have considered the quantum of lease liabilities held by Wellness relative to the Comparable Companies. In that regard, we note that 74% of Wellness's debt will relate to lease liabilities post the transactions, compared to an average of 18% for the Comparable Companies. Given the material difference in lease liability profiles, we have elected to consider the multiples excluding lease liabilities (lease liabilities have been excluded from debt for purposes of calculating multiples and in our valuation of the equity in Wellness for consistency). Further analysis is provided in Appendix C.
- The Comparable Transactions are more closely related to Aware than Heat Group given the majority of them have manufacturing capability. Of the transactions, Trilogy International Limited (**'Trilogy'**) is comparable to Hiro. Trilogy is a manufacturer and wholesaler of home fragrance, body care and natural products. The company operates in the B2B and B2C space through-commerce capability.
- Trading multiples have been highly volatile in recent months, reflecting general market and economic uncertainty, particularly in sectors exposed to discretionary consumer behaviour. The trading multiple for BWX in particular has decreased sharply, following announcements by the company on 28 June 2022 in relation to an earnings downgrade, a heavily discounted and underwritten placement and a strategic focus on profitability and balance sheet improvement in FY23. We have calculated the Comparable Company trading multiples as at 31 December 2021 and 29 June 2022, and considered the volatility in our selected multiple. The most recent Comparable Transaction closed in June 2021, and as such the Comparable Transaction multiples do not reflect recent market volatility.
- Given that none of the Comparable Companies and Comparable Transactions are directly comparable to Wellness, we note that selecting a revenue multiple for Wellness requires professional judgement. Our selected revenue multiples for Wellness are set out in section 9.2.

Business descriptions and further detail relating to the selected Comparable Companies and Comparable Transactions is contained in Appendix D.

7.5.4 Valuation in accordance with APES 255

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.

8.0 Valuation of Wellness before the Proposed Transactions

We have valued Wellness before the Proposed Transaction using an asset-based method, taking into account the following:

- Net asset position of -$688k as at 31 December 2021 (being the latest available date, as set out in Section 2.3.2);
- Notional value attributed to Wellness being a listed shell company, estimated to range from nil to $500k;
- We have not attributed any value to carry forward tax losses given the uncertainty of their availability going forward;
- A total number of shares (on a diluted basis) of 135,409,259, reflecting 68,000,000 shares owned by Heat Group and 67,409,259 shares owned by Shareholders; and
- The 1:65 capital consolidation, resulting in the 135,409,259 shares referenced above being reduced to 2,083,220 total shares, with 1,046,154 shares owned by Heat Group and 1,037,066 owned by Shareholders.

8.1 Value summary

Our valuation of Wellness before the Proposed Transactions is summarised below.

Table 17: Valuation of Wellness before the Proposed Transactions

$	Low	High
Net assets	(688,000)	(688,000)
Add: listed shell company value	-	500,000
Adjusted net assets	(688,000)	(188,000)
Equity value	**-**	**-**
Number of shares	2,083,220	2,083,220
FMV of a share in Wellness (control basis)	**-**	**-**

Source: BDOCF Analysis

As shown above, we estimate the fair value of a share in Wellness before the Proposed Transactions on a control basis to be nil.

9.0 Valuation of Wellness after the Proposed Transactions

When valuing Wellness after the Proposed Transactions, we have undertaken the following:

- Estimated maintainable revenue;
- Selected a revenue multiple (on a minority basis);
- Made adjustments to the resultant enterprise value, in particular, for cash and surplus assets/liabilities;
- Estimated the number of outstanding shares (on a diluted basis); and
- Estimated the FMV of a share in Wellness after the Proposed Transactions.

9.1 Maintainable revenue

In estimating Wellness' maintainable revenue, we have considered the pro forma historical revenue of the Company over the FY20 to H1 FY22 period (section 5.4.3). A summary of Wellness' historical pro forma revenue, as well as our adopted maintainable revenue is provided in the table below.

Table 18: BDO maintainable revenue

$'000	FY20	FY21	1H FY22
Pro forma revenue	101,315	95,761	34,703
Maintainable Revenue		**Low**	**High**
BDO assumption		70,000	80,000

Source: BDOCF Analysis

In our opinion, 1H FY22 is the most relevant period to consider in determining the maintainable revenue of Wellness. This is due to the recent discontinuation of various product lines and brands, as well as a reduction in sales of products that peaked in demand throughout the height of the COVID-19 pandemic across FY20 and FY21, such as hand sanitiser. In addition, numerous manufacturing contracts held by Aware have not carried through from FY20. Accordingly, we have adopted maintainable revenue of $70.0m (being broadly in line with an annualised 1H FY22) to $80.0m.

9.2 Revenue multiple

As noted in Section 7.5.3, six Comparable Companies and four Comparable Transactions were selected. We have selected a revenue multiple with reference to the Comparable Companies rather than the Comparable Transactions, due to their superior relevance to the current combination of Heat Group and Aware.

Specifically, our multiple range has been selected with reference to the trading multiples of Pental and McPherson's. As detailed in Section 7.5.3, Pental is the most comparable company to Aware and McPherson's is the most comparable company to Heat Group. These companies have traded at similar revenue multiples.

Our valuation for fairness purposes does not consider potential synergies from the integrated business, which if achieved, would result in BWX being considered a more direct competitor. This has instead been considered in our discussion of reasonableness factors.

The multiples presented are for all Comparable Companies and Comparable Transactions. Business descriptions and further detail relating to the selected Comparable Companies and Comparable Transactions is contained in Appendix C:

Table 19: Comparable Companies - LTM Revenue Multiples - Minority basis

Company Name	Country	Latest Financial Year	as at 31-Dec-21	as at 29-Jun-22
BWX Limited	Australia	30/06/2021	3.54x	0.78x
Comvita Limited	New Zealand	30/06/2021	1.40x	1.27x
Pental Limited	Australia	27/06/2021	0.46x	0.47x
McPherson's Limited	Australia	30/06/2021	0.55x	0.48x
Wellnex Life Limited	Australia	30/06/2021	3.13x	2.15x
Jatcorp Limited	Australia	30/06/2021	1.32x	1.34x
Adjusted Average (at 80% confidence level)			**0.87x**	**1.37x**
Adjusted Median (at 80% confidence level)			**0.78x**	**1.32x**

Source: Refer Appendix C, NB: Adjusted averages and medians at 80% confidence level

Table 20: Comparable Transactions – Historical Revenue Multiples – Controlling Basis

Historical Revenue Multiples (LTM)	
Low	0.74x
Average	1.68x
Median	1.80x
High	2.37x

Source: Refer Appendix C

We note the observed LTM revenue multiples for the Comparable Transactions are generally higher than the multiples observed for the Comparable Companies. We consider this to be due, at least in part, to the transactions representing trades of controlling interests (which may include a premium for control and potential synergistic benefits).

Overall, we consider a multiple of 0.35x to 0.45x on revenue (on a minority basis) to be appropriate for our valuation of Wellness. The high end is slightly lower than the trading multiples for McPherson's and Pental (the companies considered most comparable to Heat Group and Aware, respectively), while the low end falls below the range. We consider this appropriate, largely due to the difference in historical profitability and therefore risk profile of Wellness relative to the Comparable Companies.

9.3 Net debt/cash

We have adjusted the enterprise value for the following items based on the balance sheet numbers as of 31 December 2021 and impact of the Proposed Transactions (as set out in section 5.4.2):

- Debt: $11.5m (excluding lease liabilities consistent with above);
- Cash: $17.8m;

All entities in the Hiro group have carry forward tax losses. However, there is uncertainty as to their availability in accordance with Australian taxation rules.

9.4 Surplus assets

All entities comprising the Hiro group after the Proposed Transactions have substantial carry forward tax losses. However, we have not attributed any value to the tax losses given the uncertainty of whether the losses will be available to offset future income in accordance with Australian taxation rules. Further, the ability to utilise the losses is also contingent on generating future taxable income, which is also uncertain.

We have not identified any other surplus assets or liabilities.

9.5 Number of shares on issue

We have assumed the total number of shares to be 57,723,244, which reflects the impact of all Proposed Transaction on a fully diluted basis.

9.6 Valuation summary

Our valuation of Wellness after the Proposed Transactions is summarised below.

Table 21: Valuation of Wellness after the Proposed Transactions

$	Low	High
Maintainable revenue	70,000,000	80,000,000
EV/revenue multiple	0.35x	0.45x
Enterprise value	**24,500,000**	**36,000,000**
Less: net debt/(cash)	(6,279,520)	(6,279,520)
Equity value	**30,779,520**	**42,279,520**
Number of shares	57,723,244	57,723,244
FMV of a share in Wellness (minority basis)	**0.53**	**0.73**

Source: BDOCF Analysis

As shown above, we estimate the post-Proposed Transactions FMV of a share in Wellness on a minority to be between $0.53 and $0.73.

10.0 Assessment of Fairness

10.1 Fairness assessment

For purposes of this Report and based on our interpretation of RG 111.11, the fairness assessment is based on the following:

- The Proposed Transactions will be fair to the Shareholders if the post-transactions FMV of a share in Wellness on a minority basis is greater than the pre-transactions FMV of a share in Wellness on a 100% controlling basis.

10.1.1 Fairness of Proposed Transactions

The result of our fairness analysis of the Proposed Transactions is summarised below.

Table 22: Fairness assessment

Per share ($)	Reference	Low	High
FMV of a share in Wellness before the Proposed Transactions (control basis)		$0.00	$0.00
FMV of a share in Wellness after the Proposed Transactions (minority basis)		$0.53	$0.73

Source: BDOCF Analysis

We have determined a range of values for a share in Wellness before and after the Proposed Transactions.

The value of Wellness before the Proposed Transactions (on a control basis) is nil under both our low and high scenarios. Our low scenario reflects Wellness' negative net asset position under our adopted net asset value approach, resulting in a nil equity value. Our high scenario considers the additional value associated with Wellness being a listed shell company, however this additional value is not sufficient to offset the negative net asset position, resulting in a nil equity value.

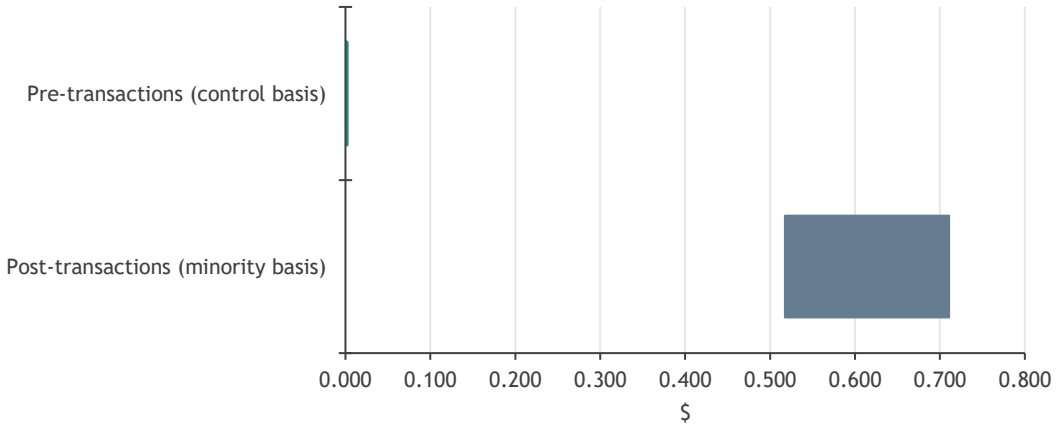
In our view, the value of Wellness after the Proposed Transactions (on a minority basis) ranges from $0.53 to $0.73 per share. This reflects the combined value of Heat Group and Aware in their current states, after accounting for dilution effects and the expected proceeds from the Public Offer which forms part of the Proposed Transactions. Our fairness assessment does not take into account potential synergies from merging and integrating the operations of Heat Group and Aware, which are instead considered in our reasonableness assessment.

The value of Wellness after the Proposed Transactions (on a minority basis) is greater than the value of Wellness before the Proposed Transactions (on a control basis). Accordingly, the Proposed Transactions are fair to the Shareholders.

With a pre-transaction value of nil, any positive value ascribed to a share in Wellness on a post-transaction basis would result in the Proposed Transactions being assessed as fair. Nevertheless, we note that the post-transaction value of Wellness is subjective and sensitive to the outcome of the Public Offer. Therefore, we recommend that shareholders also consider the reasonableness factors set out in section 11.0 below.

A comparison of our assessed values is illustrated below.

Figure 2: Summary of fairness assessment



Source: BDOCF Analysis

11.0 Assessment of Reasonableness

We set out below the other considerations we consider relevant to the Proposed Transactions.

11.1 Advantages

11.1.1 Re-quotation of shares on ASX

Approval and completion of the Proposed Transactions will support the Company's application for reinstatement to quotation on the ASX (subject to ASX approval). Whilst there is no guarantee on the level of trading that may occur, reinstatement to quotation would facilitate liquidity for Shareholders who have not had the opportunity to sell their investment on the public exchange since trading in Wellness was suspended on 1 February 2021.

11.1.2 Shareholders may still participate in a control transaction going forward

In accordance with ASIC guidance (specifically, the control transaction test noted at RG 111.11), we have applied a control view in our assessment of the fairness of the Proposed Transactions when valuing a share in Wellness before the Proposed Transactions. In accordance with the same ASIC guidance, we have not included a control premium in our assessment of the fairness of the Proposed Transactions when valuing a share in Wellness after the Proposed Transactions. If a future transaction were to arise that related to the Wellness business as a whole (i.e. a 100% buyout of Wellness), Shareholders may still be paid a control premium on their minority ownerships.

The Proposed Transactions do not result in a change of control of Wellness - Heat Holdings currently holds 50.2% of the shares in Wellness and will remain the largest shareholder in Wellness after the Proposed Transactions with an interest of up to 45.6%. As such, the ability of the Shareholders to participate in a future control is arguably materially unchanged.

11.1.3 Ability to participate in future opportunities

Shareholders will retain a 1.8% ownership in the Company, giving them exposure to the future operations and potential returns of Wellness. Management intends to rebrand Wellness as "Hiro Brands" and transition the business to a fast-moving consumer goods company, with a focus on sustainable products and local manufacturing capability.

A successful transition could see the Company re-rated on a valuation multiple basis alongside would-be key competitor BWX. BWX's observable revenue multiple was approximately 0.8x (excluding lease liabilities) on 29 June 2022 (down from 3.5x at 31 December 2021). Compared to our selected revenue multiple range of 0.35x to 0.45x for Wellness after the Proposed Transactions, this would provide a marked return to Shareholders if revenue can be maintained or increased.

11.2 Disadvantages

11.2.1 Dilution of shareholder interests

The Shareholders will have their combined interest of 49.8% in Wellness diluted to 1.8% of the Company following approval of the Proposed Transactions.

11.2.2 Change in investment risk profile

Following the Proposed Transactions, it is intended that Wellness will operate as a manufacturer and distributor of sustainable consumer goods. This is materially different to the previous business model of Wellness and may not be in-line with the desired investment characteristics of Shareholders.

11.2.3 Inability to participate in any potential alternative opportunity

Approval and completion of the Proposed Transactions will result in Wellness no longer being classified as a listed shell company. In returning to operating, Shareholders will give up the ability to participate in any alternative opportunity that may have sought to take advantage of Wellness' listed shell company status. However, it should be noted that there are currently no other alternative proposals, as noted below.

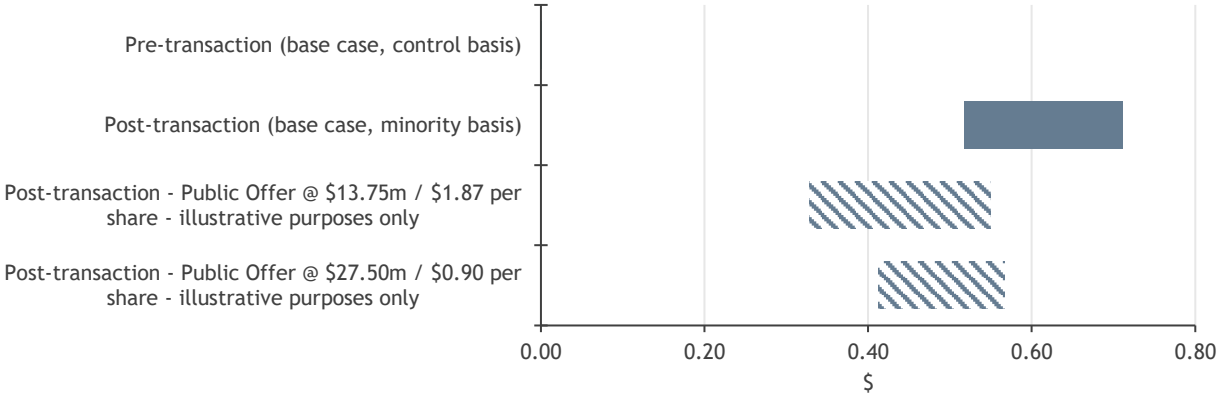
11.3 Other considerations

11.3.1 Outcome of Public Offer

The fair market value of a share in Wellness is sensitive to the outcome of the Public Offer, which may differ from current expectations in terms of price and/or the amount of capital raised.

The chart below demonstrates the illustrative impact on our fairness assessment when reducing the Public Offer price or size by 50% (applied in isolation, and assuming all else equal).

Figure 3: Summary of fairness assessment



Source: BDOCF Analysis

As shown above, the fair value of a share in Wellness would decrease to the extent the Public Offer price or size reduces. However, the Proposed Transactions would still be assessed as fair, noting the current value of a share in Wellness is currently nil.

The fairness assessment would be equally sensitive to the upside from an increase in offer price or size.

11.3.2 No alternative proposals

No alternative proposal currently exists. Further, the controlling ownership of Wellness held by Heat makes securing an alternative proposal unlikely.

11.4 Conclusion on reasonableness

In accordance with RG 111, an offer is reasonable if it is fair. As the Proposed Transaction is fair to the Shareholders, it is also reasonable. In our view, it is also reasonable having regard to the above factors.

APPENDIX A: Sources of Information

This Report has been prepared using information obtained from sources including the following:

- Draft Notice of Meeting (dated 27 June 2022);
- Draft Hiro Prospectus (dated 15 June 2022);
- Various draft / final transaction agreements, including sale and purchase agreements, option agreements, convertible note agreements, debt conversion and forgiveness deeds etc.;
- Statutory financial reports;
- Management accounts;
- Proposed Transaction financial model prepared by management;
- Capital IQ;
- IBISWorld;
- Mergermarket;
- Other research publications and publicly available data as sourced throughout this Report; and
- Discussions and correspondence with Wellness, Administrator, BRC and their advisers.

APPENDIX B: Common Valuation Methodologies

Discounted cash flow

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

Capitalisation approach

The capitalisation approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the capitalisation approach calculation to calculate the total entity value. For early stage business or businesses that are not currently profitable but are forecast to be, a capitalisation approach can be applied to revenues, in place of earnings.

A capitalisation approach can be applied by assessing multiples with reference to market evidence as to multiples of comparable companies for a number of measures, including: earnings, revenues, assets and various other operating metrics, etc.

Adjustments are made to the applicable measure for any non-commercial, abnormal or extraordinary items.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the calculation of the applicable measure. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The capitalisation approach has broad application (e.g. for profitable and loss-making companies) and is usually considered appropriate when relevant comparable information is available.

Asset based valuations

An ABV (also knowns as Net Asset Value) is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets. However, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

Quoted market prices

A QMP methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares in circumstances where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

APPENDIX C: Comparable Companies and Comparable Transactions Analysis

Comparable Companies

Table 23: Broadly comparable trading companies (at 29 Jun-22)

Company Name	Country	Latest Financial Year End	Market Cap as at 29/06/22 AUDm	Enterprise Value as at 29/06/22 AUDm	Revenue Multiple Inc. Lease Liability LTM	Revenue Multiple Excl. Lease Liability LTM
BWX Limited	Australia	30/06/2021	112	177	0.83x	0.78x
Comvita Limited	New Zealand	30/06/2021	203	240	1.33x	1.27x
Pental Limited	Australia	27/06/2021	68	61	0.48x	0.47x
McPherson's Limited	Australia	30/06/2021	91	115	0.55x	0.48x
Wellnex Life Limited	Australia	30/06/2021	20	20	2.18x	2.15x
Jatcorp Limited	Australia	30/06/2021	28	36	1.53x	1.34x
Average					**1.15x**	**1.08x**
Median					**1.08x**	**1.03x**
Adjusted Average (at 80% confidence level)					**0.95x**	**0.87x**
Adjusted Median (at 80% confidence level)					**0.83x**	**0.78x**

Source: Capital IQ and BDOCF analysis

Notes: Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

Table 24: Broadly comparable trading companies (at 31 Dec-21)

Company Name	Country	Latest Financial Year End	Market Cap as at 31/12/21 AUDm	Enterprise Value as at 31/12/21 AUDm	Revenue Multiple Inc. Lease Liability LTM	Revenue Multiple Excl. Lease Liability LTM
BWX Limited	Australia	30/06/2021	700	765	3.59x	3.54x
Comvita Limited	New Zealand	30/06/2021	235	272	1.46x	1.40x
Pental Limited	Australia	27/06/2021	66	60	0.47x	0.46x
McPherson's Limited	Australia	30/06/2021	105	129	0.62x	0.55x
Wellnex Life Limited	Australia	30/06/2021	29	29	3.16x	3.13x
Jatcorp Limited	Australia	30/06/2021	27	35	1.50x	1.32x
Average					**1.80x**	**1.73x**
Median					**1.48x**	**1.36x**
Adjusted Average (at 80% confidence level)					**1.44x**	**1.37x**
Adjusted Median (at 80% confidence level)					**1.46x**	**1.32x**

Source: Capital IQ and BDOCF analysis

Notes: Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

Table 25: Comparable company descriptions

Company Name	Business Description
BWX Limited	BWX Limited, together with its subsidiaries, develops, manufactures, markets, distributes, and sells natural body, hair, and skin care products in Australia, the United States, and internationally. The company is also involved in the online sale of its products. In addition, it provides health, beauty, and wellbeing products sourced from third parties through the Nourished Life e-commerce site; and vegan, ethical, and sustainable products through Flora and Fauna. The company owns, produces, and distributes products under the Sukin, Mineral Fusion, Andalou Naturals, DermaSukin, Life Basics, and USPA personal care brands. BWX Limited was incorporated in 2013 and is headquartered in Dandenong, Australia.
Comvita Limited	Comvita Limited, together with its subsidiaries, engages in manufacturing and marketing natural health products in Australia, New Zealand, China, rest of Asia, North America, Europe, the Middle East, Africa, and internationally. The company offers Manuka honey, propolis, olive leaf extract, medihoney and skincare, gourmet honey, elixirs and lozenges, and cider vinegar products, as well as oral and kids health products. It also provides solutions for digestive health, eczema prone skin, energy, heart health, and immune support, as well as for summer and travel essentials. In addition, the company engages in the apiary ownership and management, property ownership, and IP ownership. Comvita Limited was incorporated in 1974 and is based in Te Puke, New Zealand.
Jatcorp Limited	Jatcorp Limited operates as a trade specialist of fast moving consumer goods in Australia, New Zealand, China, and rest of the Asia Pacific countries. The company engages in the development and manufacture of various consumer products; related brand development, marketing, and promotion activities; and sale of client and in-house products primarily through a multichannel network, including traditional retail and e-commerce platforms. It primarily sells milk powder, vitamins, cosmetic products, dairy products, and other health-related consumer goods to wholesale and retail customers. The company was formerly known as Jatenergy Limited and changed its name to Jatcorp Limited in June 2020. Jatcorp Limited was incorporated in 2006 and is based in Toorak, Australia.
McPherson's Limited	McPherson's Limited provides health, wellness, and beauty products in Australia, New Zealand, Asia, and internationally. The company offers beauty care, hair care, skin care, and personal care items, including facial wipes, cotton pads, and foot comfort products; and vitamins and supplements, as well as various kitchen essentials, such as baking papers, cling wraps, and aluminum foil. It sells its products primarily under the owned brands, including Dr. LeWinn's, A'kin, Manicare, Lady Jayne, Swisspers, Multix, Fusion Health, Oriental Botanicals, Moosehead, and Maseur. The company was founded in 1860 and is based in Kingsgrove, Australia.
Pental Limited	Pental Limited manufactures, markets, and distributes personal, household, and commercial products in Australia, New Zealand, and Asia. The company provides soap, laundry, and dishwashing products, as well as stain removers, bleaches, firelighters. It offers products under the AIM, Country Life, Duracell, Huggie, Janola, Jiffy Firelighters, Little Lucifer, Lux, Martha's, Procell, Softly, Sunlight, Velvet, and White King brands. The company was formerly known as Symex Holdings Limited and changed its name to Pental Limited in January 2013. Pental Limited was incorporated in 1999 and is headquartered in Melbourne, Australia.
Wellnex Life Limited	Wellnex Life Limited engages in the manufacture and distribution of health and wellness products in Australia. It offers Uganic branded organic nutritional milk products; Simply 7 branded lentil chips; iron gummies; Wakey Wakey branded energy gummies; Little Innoscents branded organic baby skincare products; Wagner Liquigesic branded soft gel ibuprofen + paracetamol; Compeed branded plasters; EllaOne branded contraception medicine; and Performance Inspired branded nutrition and supplements products, as well as aromatherapy essential oils and domestic cleaning products. The company was formerly known as Wattle Health Australia Limited and changed its name to Wellnex Life Limited in June 2021. Wellnex Life Limited was incorporated in 2011 and is based in Port Melbourne, Australia.

Source: Capital IQ, publicly available information

Table 26: Comparable company lease profile (valuation date at 29 Jun-22)

Lease Liability Profile ($000s)	Revenue	Lease Liability	Total Debt	Lease Liability/ Total Debt	Revenue/ Lease Liability
Wellness	**70,000**	**33,699**	**45,245**	***74.5%***	**2.08x**
BWX Limited	212,908	10,414	105,654	*9.9%*	20.44x
Comvita Limited	197,791	13,075	71,799	*18.2%*	15.13x
Pental Limited	127,047	1,336	7,347	*18.2%*	95.10x
McPherson's Limited	207,655	15,163	49,170	*30.8%*	13.69x
Wellnex Life Limited	9,280	277	4,599	*6.0%*	33.50x
Jatcorp Limited	23,508	4,394	16,979	*25.9%*	5.35x
Average (Comparables)	**129,698**	**7,443**	**42,591**	***18.2%***	**30.54x**
Median (Comparables)	**162,419**	**7,404**	**33,074**	***18.2%***	**17.79x**

Source: Capital IQ

Table 27: Comparable company lease profile (valuation date at 31 Dec-21)

Lease Liability Profile ($000s)	Revenue	Lease Liability	Total Debt	Lease Liability/ Total Debt	Revenue/ Lease Liability
Wellness	**70,000**	**33,699**	**45,245**	***74.5%***	**2.08x**
BWX Limited	212,908	10,414	105,654	*9.9%*	20.44x
Comvita Limited	197,791	13,075	71,799	*18.2%*	15.13x
Pental Limited	127,047	1,336	7,347	*18.2%*	95.10x
McPherson's Limited	207,655	15,163	49,170	*30.8%*	13.69x
Wellnex Life Limited	9,280	277	4,599	*6.0%*	33.50x
Jatcorp Limited	23,508	4,394	16,979	*25.9%*	5.35x
Average (Comparables)	**129,698**	**7,443**	**42,591**	***18.2%***	**30.54x**
Median (Comparables)	**162,419**	**7,404**	**33,074**	***18.2%***	**17.79x**

Source: Capital IQ

Comparable Transactions

Table 28: Broadly comparable company transaction multiples

Acquirer	Target	Target Country	Date Announced	Date Closed	% Sought	Transaction Value (m)	Implied Enterprise Value (m)	Implied Equity Value (m)	Revenue Multiple	EBITDA Multiple	EBITDA Margin
Essity Group Holding BV	Asaleo Care Limited (nka:Essity AustralAsia)	Australia	10-Dec-20	10-Jun-21	64%	658.5	878.3	760.4	2.1	10.0	20.8%
Trustar Capital; Citic Capital China Partners III, L.P.	Trilogy International Limited	New Zealand	15-Dec-17	18-Apr-18	100%	236.3	228.8	193.3	2.4	12.9	18.4%
Trilogy International Limited	Lanocorp New Zealand Limited	New Zealand	29-Jun-17	07-Jul-17	80%	12.0	14.9	14.9	1.5	6.5	23.3%
Pact Group Holdings Ltd	Pascoes Pty Ltd	Australia	22-Feb-17	28-Feb-17	100%	51.8	51.8	40.9	0.7	6.5	11.4%
Average									**1.4**	**9.0**	**18.5%**
Median									**1.5**	**8.3**	**19.6%**

Source: Capital IQ
Note: Multiples include lease liabilities

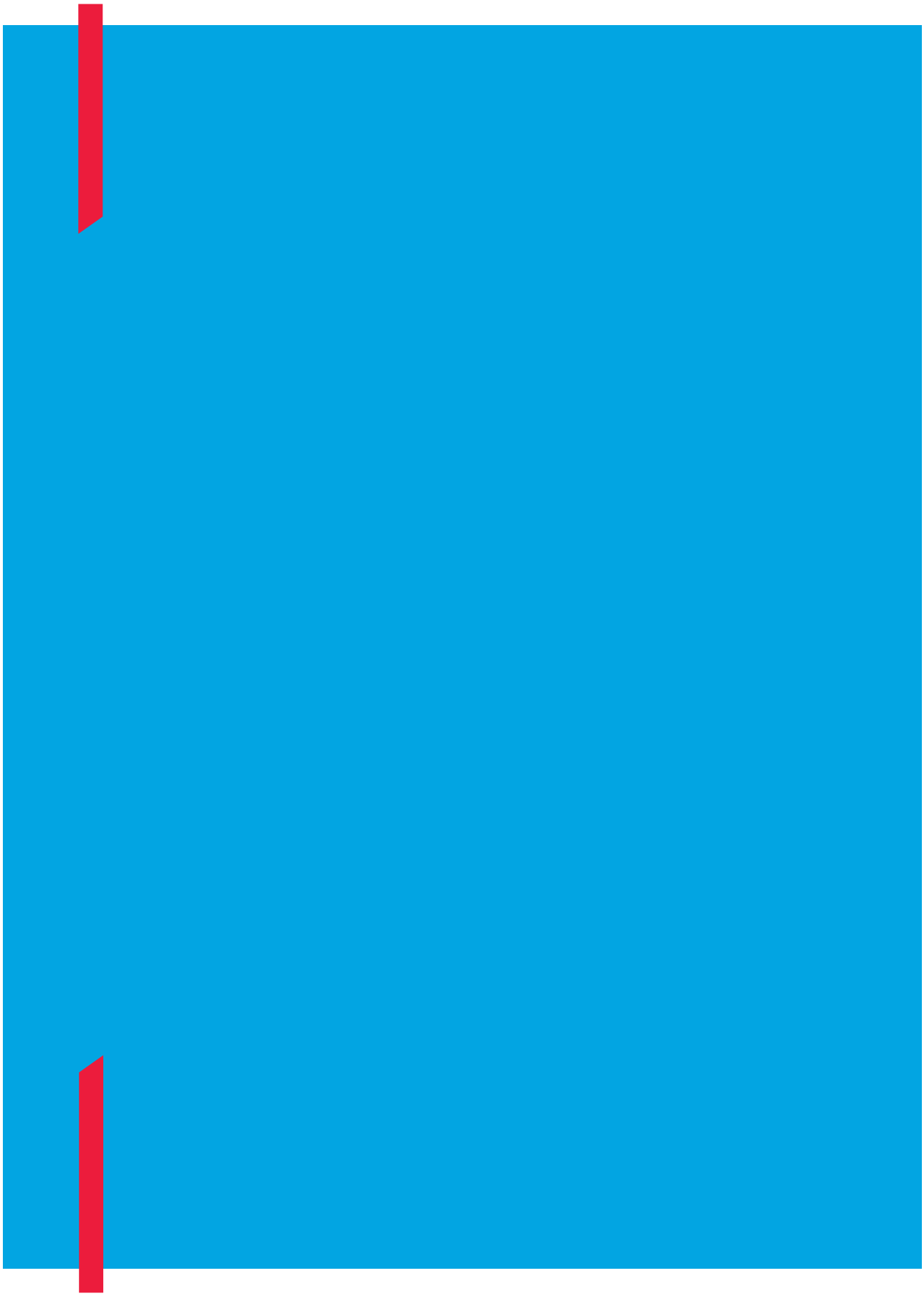
Table 29: Target descriptions

Target company	Business description
Asaleo Care Limited (nka:Essity AustralAsia)	Essity AustralAsia, together with its subsidiaries, manufactures, markets, distributes, and sells hygiene, personal care, and consumer tissue products in Australia, New Zealand, Fiji, and the Pacific Islands. The company operates in Retail and Business to Business segments. It offers toilet and facial tissues, and flushable wipes under the Sorbent brand; paper towels under the Handee Ultra brand; feminine hygiene products under the Libra brand; incontinence products under the TENA brand; workplace hygiene products under the Tork brand; toilet papers under the Purex brand; hygiene products under the Orchid brand; and toilet tissues under the Viti brand. The company sells its products through a distributor network to business end users, including schools, restaurants, shopping centers, airports, industrial companies, aged care facilities, and hospitals, as well as retail customers. The company was formerly known as Asaleo Care Limited and changed its name to Essity AustralAsia in July 2021. Essity AustralAsia was founded in 1932 and is based in Springvale, Australia. Essity AustralAsia is a subsidiary of Essity Group Holding BV.
Trilogy International Limited	Trilogy International Limited, together with its subsidiaries, operates as a manufacturer and wholesaler of home fragrance, body care, and natural products in New Zealand, Australia, the United States, the United Kingdom, Ireland, and internationally. It operates through Home Fragrance, Bodycare, Natural Products, and Distribution segments. The company's home fragrance products include candles, such as jars; diffusers; and soy melts. Its body care products comprise cleansing products, such as hand and body washes, and soaps, as well as moisturizing products, including hand creams, lip balms, and hand and body lotions. The company also provides gift boxes and vouchers. Trilogy International Limited sells its products under the Trilogy, Ecoya, and Goodness brands through retail stores and online. The company was formerly known as Ecoya Limited. Trilogy International Limited was incorporated in 2008 and is headquartered in Auckland, New Zealand. As of April 18, 2018, Trilogy International Limited was taken private.
Lanocorp New Zealand Limited	Lanocorp New Zealand Limited manufactures natural skin care products. The company was founded in 1987 and is based in Christchurch, New Zealand. As of July 7, 2017, Lanocorp New Zealand Limited operates as a subsidiary of Trilogy International Limited.
Pascoes Pty Ltd	Pascoes Pty Ltd manufactures and distributes chemicals for household and industrial applications. The company provides detergents, disinfectants, and specialty chemicals for industrial, agricultural, domestic, and mining markets in Australia and internationally. It offers its products under Bare Essentials, BBQ Pro, Bluo, Dizolve, Drain Clean, Fatsorb, Garden Pro, Glitz, Hovex, Long Life, Mechanix, Oomph, Pascoes Industrial, Prochef, Proganics, Scotts, Sparkle, and Nooski brands. The company was founded in 1946 and is based in Welshpool, Australia. It has an additional office in Sydney and a warehouse in Melbourne. As of February 28, 2017, Pascoes Pty Ltd operates as a subsidiary of Pact Group Holdings Ltd.

Source: Capital IQ, publicly available information

APPENDIX D: Glossary

Reference	Definition
$ or AUD	Australian Dollars
AFCA	Australian Financial Complaints Authority
APES 225	Australian Professional & Ethical Standards Board standard 225 Valuation Services
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
Aware	Aware Environmental Limited
B2B	Business to business
BDO, BDOCF, we, us, our	BDO Corporate Finance (East Coast) Pty Ltd
BWX	BWX Limited
Comparable Companies	Listed companies broadly comparable to Wellness post the Proposed Transactions
Comparable Transactions	Transactions involving companies broadly comparable to Wellness post the Proposed Transactions
DCF	Discounted cash flow
DOCA	Deed of company arrangement
FMV	Fair Market Value
FSG	Financial Services Guide
FYXX	Financial year ending 30 June 20XX
Heat Group	Heat Group Pty Ltd
Heat Holdings	Heat Holdings Pty Ltd
Immersion Clinical Spas	Wellness business segment; network of clinics and spas that provide non-invasive medical aesthetic treatments and complementary wellness and beauty services
McPherson's	McPherson's Limited
Micro19	Incorporated joint venture company, Micro19 Pty Ltd, which produces hand sanitiser
NAV or ABV	Net asset value
Pental	Pental Limited
Proposed Transactions	Various transactions relating to the public offer and re-admission on the ASX of Wellness
QMP	Quoted market price
Report, or IER	Independent Expert's Report
RG 111	Regulatory Guide 111: Content of expert reports
RG 112	Regulatory Guide 112: Independence of experts
RG 76	Regulatory Guide 74: Related party transactions
RG 74	Regulatory Guide 74: Acquisition approved by members
Shareholders	Any non-associated shareholder in Wellness
the Act	Corporations Act 2001 (Cth)
The Giving Brands Company	Wellness business segment; consumer brands segment that develops, manufactures and sells various beauty products
Trilogy	Trilogy International Limited
True Solutions	Wellness business segment; brand distributor to clinics, salons and spas across Australia and New Zealand
Wellness, WNB or the Company	Wellness and Beauty Solutions Limited



SCHEDULE 2

TERMS OF ESOP

The Board has adopted the ESOP to allow eligible participants to be granted Options to acquire Shares in the Company. The principal terms of the ESOP are summarised below.

1. **Eligibility and Grant of Options**: The Board may grant Options to an officer or employee of the Company, or member of the Group, or contractor to the Company or member of the Group selected by the Board (**Eligible Participant**) (**Offer**).

2. **Consideration**: Each Option granted under the ESOP will be granted for nil or no more than nominal cash consideration.

3. **Conversion**: Each Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company.

4. **Exercise Price and Expiry Date**: The exercise price and expiry date for Options granted under the ESOP will be determined by the Board prior to the grant of the Options.

5. **Exercise Restrictions**: The Options granted under the ESOP may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Vesting Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options. The Board may waive Vesting Conditions.

6. **Lapsing of Options**: An unexercised Option will lapse:

    6.1 on its Expiry Date;

    6.2 if any Vesting Condition is unable to be met and is not waived, as determined by the Board; or

    6.3 subject to the Board's discretion, where the Eligible Participant ceases to be an Eligible Participant.

7. **Loans**: the Company may provide a loan to fund some or all of the exercise price of Options. The terms of the loan will be determined by the Company and will normally require the loan to be secured over Shares issued on exercise of the Options.

8. **Disposal of Options**: Options will not be transferable except to the extent the ESOP or any offer provides otherwise.

9. **Quotation of Options**: Options will not be quoted on the ASX, except to the extent provided for by the ESOP or unless an offer provides otherwise.

10. **Trigger Events**: Upon certain trigger events, being a change in control of the Company (including by takeover or entry into a scheme of arrangement), the Board may determine that any Option which has not at that time become exercisable or lapsed, becomes exercisable.

11. **Participation in Rights Issues and Bonus Issues**: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12. **Reorganisation**: The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

13. **Limit on number of securities**: The Company may not offer Options if as result of acceptance and issue of those Options the number of Options then on issue exceeds 10% of the number of shares on issue in the Company at any given time.

    The Company may offer Options in circumstances where the ceiling above would be exceeded if the Company first obtains shareholder approval for the offer.

SCHEDULE 3

AMENDMENT'S TO THE COMPANY'S CONSTITUTION

Constitution

Wellness and Beauty Solutions Limited

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Corporations Act 2001
Public company limited by shares
Constitution of Wellness and Beauty Solutions Limited
ACN 169 177 833

1 Nature of company

1.1 The Company is a public company limited by shares.

2 Issue of shares

Power to issue shares

2.1 Subject to the Listing Rules, the directors have sole power to issue shares or options to buy or subscribe for shares in the Company. Subject to the Corporations Act 2001 and the Listing Rules, shares and options in the Companymay be issued on any conditions as determined by the Board.

2.2 The directors may implement an employee share plan for officers or employees ofthe Company on such terms and conditions as they determine.

Number of shareholders

2.3 There is no limit on the number of shareholders the Company may have.

Price on issue

2.4 The Board may issue and allot shares in the Company at any price they considerappropriate.

Special rights

2.5 The Board may issue classes of shares in the Company as they think fit with preferred, deferred or other special rights or with those restrictions, and with suchrights to dividends, voting, return of capital or otherwise and at such price as the Board sees fit. An issue of shares under this clause is without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but is subject to the Corporations Act 2001 and the Listing Rules.

Effect of allotment on class rights

2.6 The rights conferred on the holders of the shares of a class allotted with preferredrights are not to be treated as varied by the allotment of further shares by the Company ranking equally with them unless the terms of allotment of the earlier allotted shares expressly provide otherwise.

Trusts over shares

2.7 Except as required by law, no person is to be recognised by the Company asholding a share on trust.

2.8 Except as provided by this document or the law, the Company may recognise only an absolute right to the entirety of a share in the registered holder and, regardless of it having notice of any other interest or right, the Company is not bound by, or compelled in any way to recognise, any equitable, contingent, future,partial or other right or interest in a share or unit of a share.

Entitlement to certificates

2.9 The Board may determine that all the shares of a class of shares in the capital of the Company are to be allotted on the terms that they may be held only as uncertificated holdings under the ASX Settlement Operating Rules. A Member holding shares of that class is not entitled to require the Company to issue or deliver certificates as evidence of title to the shares. However the Company mustprovide the Member with a statement of their holding in accordance with the ASXSettlement Operating Rules and the Listing Rules. The Board may at any time revoke a determination under this clause.

2.10 If the Company operates an issuer sponsored sub-register it must allocate a unique SRN for each

holding of shares. A Member may have more than one holding each of which will have a unique SRN. Each new holding of shares onthe issuer sponsored sub-register must be allocated a unique SRN for that holding.

2.11 The Board may permit a Member's holding of shares to be held as an uncertificated holding under the ASX Settlement Operating Rules and they mustdo so if the Listing Rules or the ASX Settlement Operating Rules require that shares are to be held as uncertificated holdings.

2.12 Every Member whose shares are not held as an uncertificated holding of shares is entitled without payment to receive a certificate in respect of shares allotted, asrequired by the Corporations Act 2001.

2.13 The Board may cancel without replacing a certificate for shares held by a Memberwhose shares are to be held as an uncertificated holding.

Issue of certificates to joint holders

2.14 The Company is not bound to issue more than one certificate in respect of a share or shares held jointly by several persons. Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders.

Rights and obligations of joint holders

2.15 The Board may from time to time determine the maximum number of joint holders, being not more than 3, whose names may be recorded in the Register. Until a determination is made, the maximum number is 3. The Company may record only the names of the first persons within the maximum number from theapplication for shares, transfer document or notice of death and all other names may be disregarded by the Company.

2.16 If several persons are jointly entitled to a share all of the following conditions apply in relation to that joint holding:

2.16.1 In the absence of an express direction from those persons to the contrary, the Company may enter the names of those persons as Members in the Register in the order in which their names appear on the application for shares or the instrument of transfer or the notice of death or bankruptcy given to the Company to establish those persons'entitlement to the share.

2.16.2 It is a sufficient discharge of any of the Company's obligations to those persons if the Company discharges that obligation in relation to the first named holder of the share in the Register.

2.16.3 Any one of those persons may give effectual receipts for any dividend or return of capital payable to those persons.

2.16.4 Those persons are jointly and severally liable to pay all calls, interestand other amounts in respect of the share.

3 Variation of class rights

Form of consent

3.1 If at any time there are different classes of shares on issue, the rights attached to a class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied in either ofthe following ways:

3.1.1 With the consent in writing of the holders of 75% of the shares of thatclass.

3.1.2 With the sanction of a special resolution passed at a separate generalmeeting of the holders of the shares of the class.

Separate general meeting

3.2 The provisions of this document relating to general meetings, with all necessary changes required by the context of this clause 3, apply to every separate generalmeeting except that:

3.2.1 Two Members represented in any manner permitted at general meetings who together hold one-third of the issued shares of the class,or the only Member holding shares in the class, is a quorum.

3.2.2 Any person qualified to be counted in a quorum may demand a poll.

4 Alteration of capital

4.1 The Company may do anything in respect of its share capital permitted by theCorporations Act 2001 and Listing Rules, including any one or more of the following:

4.1.1 If there is in this document a restriction on the number of shares thatmay be on issue, increase by a Members resolution the number of shares which may be issued by the creation of new shares.

4.1.2 Convert all or any of its shares into a larger or smaller number of sharesby a Members resolution.

4.1.3 Any form of capital reduction or buy back.

5 Lien

Money secured by lien

5.1 To the extent permitted by the Listing Rules, the Company has a first and paramount lien on every share which is not fully paid (including a share acquired under an employee incentive scheme, where an amount is owed to the Companyfor its acquisition) and on all dividends payable in respect of that share for both ofthe following:

5.1.1 For all money called but unpaid or due but unpaid in respect of thatshare.

5.1.2 Where the share is registered in the name of one Member only, for allmoney payable to the Company by the Member or, in the case of a deceased Member, by the deceased Member's estate.

5.2 The lien extends to reasonable interest and expenses incurred because theamount has not been paid.

5.3 The Board may exclude at any time by resolution a share either wholly or in partfrom the lien created under this document.

Enforcement of Lien

5.4 The Company may do all things which the Board considers necessary or appropriate to do under the ASX Settlement Operating Rules or the Listing Rulesto enforce or protect the Company's lien.

Uncertificated Shares

5.5 In the event any shares in the Company are held on the CHESS sub-register, while the Company has a lien on any such shares held on CHESS sub-register,the Company must, if required, give notice that a holding lock is to be applied inthe form and manner set out in the ASX Settlement Operating Rules.

Power of sale

5.6 Subject to clause 5.7, the Company may sell, in any manner which the Boardthinks fit, any shares on which the Company has a lien.

5.7 A share on which the Company has a lien must not be sold unless both of thefollowing are satisfied:

5.7.1 A sum in respect of which the lien exists is presently payable.

5.7.2 A period of 14 days has elapsed after the Company has given to the Member in whose name the share is registered or the person entitledthereto by reason of the Member's death or bankruptcy a notice in writing of the Company's intention to sell the share.

5.8 The notice must:

5.8.1 State the amount, and demand payment, of the part of the amount inrespect of which the lien exists as is presently payable.

5.8.2 Comply with the requirements, if any, of the ASX Settlement OperatingRules and the Listing Rules.

5.9 The Company may do all things necessary to give effect to the sale of those shares on which the Company has a lien, including authorising a Director, Secretary or other person to execute a transfer of the shares sold in favour of thepurchaser of the shares.

5.10 The Company must register the purchaser of any shares sold as the holder of theshares. The purchaser is not bound to see to the application of the purchase money. The title of the purchaser to the shares is not affected by an irregularity or invalidity in connection with the sale.

Application of proceeds of sale

5.11 The proceeds of the sale must be received by the Company and the money remaining after deducting the expenses of sale must be applied in payment of that part of the amount in respect of which the lien exists as is presently payable. The residue, if any, must (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

6 Calls on shares

Power to make calls

6.1 The Board may from time to time in accordance with this document make calls onMembers for any money unpaid on the Members' shares which is not by the conditions of allotment of the share made payable at fixed times.

6.2 The Board may, on the issue of shares, differentiate between the holders as tothe amount of calls to be paid and the times of payment.

6.3 The Board may require that a call be paid by instalments.

6.4 A call or an instalment of a call may not be made payable at a date less than one month after the date fixed for the payment of the last preceding call or instalment.

6.5 The Board may at any time revoke or postpone a call.

Time of call

6.6 A call is to be treated as made at the time when the resolution of the Board authorising the call is passed.

Notice of calls

6.7 In the event any shares in the Company are held on the CHESS sub-register, the Company must comply with the Listing Rules in relation to the dispatch and content of notices to Members on whom a call is made. In all other circumstances, a Member on whom a call is made must be given at least 14 days'notice specifying both of the following:

6.7.1 The amount of the call.

6.7.2 The due date for payment.

Liability to pay calls

6.8 A Member on whom a call is made in accordance with this document must pay tothe Company the amount called on his shares at the time or times and place specified.

Interest on unpaid calls

6.9 If a sum called in respect of a share is not paid before or on the day appointed forpayment, the person from whom the sum is due must pay interest on the sum from the day appointed for payment

of the sum called to the time of actual payment at a rate not exceeding 20% per annum determined by the Board. The Board may waive payment of interest, either wholly or in part, on sums called but unpaid.

Sums payable on allotment or at a fixed date

6.10 Any sum which by the terms of issue of a share becomes payable on allotment orat a fixed date is for the purposes of this document treated as a call duly made and payable on the date on which by the terms of issue the sum becomes payable.

6.11 In case of non-payment of a sum payable on allotment or at a fixed date, all the relevant provisions of this document as to payment of interest and expenses, forfeiture, or otherwise apply as if the sum had become payable by virtue of a callduly made and notified.

Advances of uncalled amounts

6.12 The Board may accept all or part of the money uncalled and unpaid upon anyshares held by a Member which the Member is willing to advance to the Company.

6.13 The Board may authorise the payment of interest on the whole or a part of an advance of any uncalled amount due on shares until the date the amount would have been payable but for the advance at a rate not exceeding 10% per annum ora rate fixed from time to time by the Company in general meeting.

7 Forfeiture of shares

Notice of default

7.1 If a Member fails to pay a call or instalment of a call on the day when it is due forpayment, the Board may, while any part of the call or instalment remains unpaid,give notice requiring the Member to pay the unpaid call or instalment together with any interest which may have accrued. The notice must do all of the following:

7.1.1 Specify a further day (not earlier than 14 days after the date of the notice) on or before which the payment required by the notice is to bemade.

7.1.2 State that, in the event of non-payment at or before the time appointed,the shares in respect of which the call was made will be liable to be forfeited.

7.1.3 Comply with the requirements, if any, of the ASX Settlement OperatingRules and the Listing Rules.

Forfeiture

7.2 If the requirements of a notice relating to forfeiture given under this document arenot complied with, any share in respect of which the notice has been given may be forfeited by a resolution of the Board to that effect (if required, at a meeting convened in accordance with the Listing Rules), at any time before the payment required by the notice has been made.

7.3 If the share the subject of a resolution of forfeiture is entered on the CHESS Sub-register, the Company may take all necessary steps to move the share to a sub- register administered by the Company. The forfeiture of the share is effective at the time the share is entered in that sub-register.

7.4 A forfeiture includes all dividends declared in respect of the forfeited shares andnot actually paid before the forfeiture.

7.5 Before a sale or disposition of a forfeited share the Board may annul the forfeitureon terms determined by the Board.

Sale of forfeited shares

7.6 A forfeited share becomes the property of the Company and may be sold or otherwise disposed of on the terms and in the manner determined by the Board inaccordance with the Corporations Act 2001, the ASX Settlement Operating Rules and the Listing Rules.

Transfer and consideration

7.7 The Company may receive the consideration, if any, given for a forfeited share onany sale or disposition of the share and may execute a transfer of the share in favour of the transferee.

7.8 On execution of the transfer the transferee must be registered as the holder of the share. The transferee is not bound to see to the application of any money paid as consideration.

7.9 The title of the transferee to the share is not affected by any irregularity orinvalidity in connection with the forfeiture, sale, or disposal of the share.

Liability of former Member

7.10 A person whose shares have been forfeited ceases to be a Member in respect ofthe forfeited shares but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the shares.

7.11 The money which the former Member is liable to pay to the Company and whichmay be recovered at the discretion of the Board includes both of the following amounts:

7.11.1 Interest on the money for the time being unpaid.

7.11.2 The expenses incurred by the Company in respect of the forfeiture andsale of the shares.

7.12 The liability of a defaulting Member ceases if and when the Company receivespayment in full of all the money which the defaulting Member is liable to pay.

Statement of forfeiture

7.13 A statement in writing declaring that the person making the statement is a Director or Secretary, and that a share has been duly forfeited on a date stated in the statement, may not be objected to by any person claiming to be entitled to theshare.

Non-payment of other sums

7.14 The provisions of this document as to forfeiture apply in the case of non-paymentof a sum that, by the terms of issue of a share, becomes payable at a fixed time, as if that sum had been payable by virtue of a call duly made and notified.

8 Transfer of shares

Form of transfer

8.1 A transfer of shares must be either in writing in a common form or in another formapproved by the Board or a proper ASX Settlement-regulated transfer for the purposes of the Corporations Act 2001.

8.2 A transfer must both show the jurisdiction of incorporation of the Company and beexecuted by or on behalf of both the transferor and the transferee unless the transfer is either of the following:

8.2.1 A sufficient transfer of marketable securities for the purposes of theCorporations Act 2001.

8.2.2 A proper ASX Settlement-regulated transfer for the purposes of theCorporations Act 2001.

Effect of transfers

8.3 A transferor remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register in respect ofthe shares.

Registration procedure

8.4 The document of transfer of shares that is not an ASX Settlement-regulated transfer must be left for registration at the Office, or at another place determinedby the Board, accompanied by all of the following:

8.4.1 The certificate for the shares to which it relates.

8.4.2 Evidence that any fee payable on registration of the transfer has beenpaid.

8.4.3 Evidence reasonably required by the Board to show the right of thetransferor to make the transfer.

8.5 Except if this document permits the Board to refuse registration, the Board mustregister the transferee as a Member and retain the document of transfer.

8.6 An ASX Settlement-regulated transfer must be effected by a proper ASX Settlement-regulated transfer and registered in accordance with the ASX Settlement Operating Rules.

Board power to refuse registration

8.7 Subject to the Corporations Act 2001 and the Listing Rules, the Board may, in its absolute discretion, refuse to register any transfer of shares or other securities or request ASX Settlement to apply a holding lock to prevent a transfer of any or all of them:

8.7.1 Where a law relating to stamp duty prohibits the Company fromregistering it;

8.7.2 Where the Company has a lien on the securities in accordance with theListing Rules;

8.7.3 Where the transfer is not permitted under the terms of an employeeincentive scheme;

8.7.4 If it is served with a court order that restricts the holder's capacity to transfer its shares or other securities (as the case may be); or

8.7.5 In any circumstances permitted by the Listing Rules.

Circumstances where registration prohibited

8.8 The Board must refuse to register a transfer of shares in either of the followingcircumstances:

8.8.1 If the Listing Rules require the Board or the Company to do so.

8.8.2 If the shares are classified under the Listing Rules or by ASX as restricted securities and the transfer is or might be in breach of the Listing Rules or an escrow agreement entered into by the Companyunder the Listing Rules in relation to those shares.

Notification of refusal to register

8.9 If the Board refuses to register a transfer of a share in the Company, the Board must give written notice of the refusal to the person who lodged the transfer within2 months after the date on which the transfer was lodged with the Company.

Operation of register

8.10 If the Company operates a Company sponsored sub-register then the Companymust comply with the requirements of the Listing Rules in connection with that sub-register. The Company must process proper ASX Settlement-regulated transfers affecting sub-registers administered by the Company on all business days.

Restricted securities

8.11 While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.

8.12 Without limiting the obligation to comply with the Listing Rules:

8.12.1 a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;

8.12.2 if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;

8.12.3 the Company will refuse to acknowledge any Disposal (including, without limitation, to

register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;

8.12.4 a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and

8.12.5 if a holder of Restricted Securities breaches a restriction agreement or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

8.13 For the purposes of this rule, Dispose has the meaning given to it in the Listing Rules and Disposal has the corresponding meaning.

~~8.11 Shares which are classified under the Listing Rules or by ASX as restricted securities and which are subject to escrow restrictions cannot be disposed (asthat term is defined in the Listing Rules) of during the escrow period.~~

Takeover approval provisions

~~8.12~~8.14 In this clause **approving resolution**, **proportional takeover bid** and **approving resolution deadline** have the meanings given to those terms in the Corporations Act 2001.

~~8.13~~8.15 While clauses 8.12 to 8.21 have effect, the Company must refuse to register a transfer of shares that would give effect to a contract resulting from the acceptance of a proportional takeover bid in respect of the shares unless and untilan approving resolution is passed, or deemed to be passed, in accordance with this document.

~~8.14~~8.16 If a proportional takeover bid is made in respect of shares in the Company the Board must ensure that an approving resolution is voted on in accordance withthis document by the approving resolution deadline.

~~8.15~~8.17 The approving resolution must be voted on at a meeting convened and conductedas if it is a general meeting of the Company convened and conducted in accordance with this document and the Corporations Act 2001 or by means of a postal ballot conducted by the Company in accordance with the Corporations Act 2001.

~~8.16~~8.18 The bidder under the proportional takeover bid and any person who is associated with the bidder for the purposes of the Corporations Act 2001 must not vote on an approving resolution.

~~8.17~~8.19 The persons entitled to vote on an approving resolution are those persons, other than the bidder or an associate of the bidder, who, at the end of the day when thefirst offer was made under the proportional takeover bid, held bid class securities.

~~8.18~~8.20 Each person who is entitled to vote is entitled to one vote for each share of thatclass held at the end of the day when the first offer was made.

~~8.19~~8.21 An approving resolution is taken to be passed if the proportion of the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half. If it is not so passed, it is taken to be rejected.

~~8.20~~8.22 If a resolution to approve the bid is voted on in accordance with the provisions of this document before the approving resolution deadline the Company must, on or before the approving resolution deadline, give the bidder (and in the event shares in the Company are held on the CHESS sub-register, the ASX) a written notice stating that a resolution to approve the bid has been voted on and whether the resolution was passed or rejected.

~~8.21~~8.23 If the approving resolution is not voted on by the approving resolution deadline aresolution to approve the proportional takeover bid is deemed to have been passed in accordance with this document.

~~8.22~~8.24 Clauses 8.12 to 8.21 to cease to have effect on the day 3 years after the later ofthe following dates:

8.22.18.24.1 The date when those clauses first became binding on the Company.

8.22.28.24.2 The date when those clauses are last renewed by the Company passinga special resolution for their renewal.

Sale of unmarketable shareholdings

8.238.25 In clauses 8.23 to 8.35:

Appointment Date means the day after the end of the 42 day period specified inthe notice given in accordance with clause 8.24 to Members with Unmarketable Holdings.

Authorised Price means the price per share of the shares of an Unmarketable Holding equal to the simple average of the last sale prices of the shares quoted on ASX for each of the 10 trading days immediately preceding the Appointment Date.

Authorising Member means a Member with an Unmarketable Holding who doesnot give notice to the Company in accordance with clause 8.24.3.

Terms of Sale means the terms of sale of each Authorising Member's shares set out in clause 8.26.

Unmarketable Holding means a holding of shares in the Company that is a lessthan a marketable parcel within the meaning of the Listing Rules.

8.248.26 If the Board proposes to reduce or eliminate Unmarketable Holdings, it may givenotice under this clause to each Member with an Unmarketable Holding. The notice must comply with the requirements of the Listing Rules and the ASX Settlement Operating Rules and must include statements to the effect that:

8.24.18.26.1 The notice is given in accordance with this clause.

8.24.28.26.2 The Company intends to sell Members' Unmarketable Holdings.

8.24.38.26.3 Members who desire to retain their shareholdings must give notice of their desire to the Company within 42 days after the date of the notice.

8.24.48.26.4 A Member who does not give notice to the Company under this clauseis to be regarded as irrevocably appointing the Company as the Member's agent to sell the Member's Unmarketable Holding in accordance with this clause.

8.258.27 Except if clause 8.35 applies, only one notice under clause 8.24 may be given bythe Company in each period of 12 months.

8.268.28 On the Appointment Date each Authorising Member is regarded as having irrevocably appointed the Company as the Member's attorney to sell all the Member's Unmarketable Holding. The terms of appointment are as follows:

8.26.18.28.1 The Company may take all necessary steps to cause the AuthorisingMember's shares to be moved from the CHESS Subregister to a subregister administered by the Company.

8.26.28.28.2 The purchase price must be not less than the Authorised Price.

8.26.38.28.3 The Company may execute a transfer of the Authorising Member's shares as attorney for the Authorising Member.

8.26.48.28.4 The sale of the Unmarketable Holding must be made within 5 businessdays after the end of the period of 42 days specified in the notice to Members under clause 8.24.

8.26.58.28.5 Completion of the sale must occur within 5 business days after the dateof sale or a later date which the Company and the purchaser agree in writing.

8.26.68.28.6 The purchase price must be payable in cash.

8.26.78.28.7 The Company may receive the proceeds of sale to be dealt with inaccordance with

the following clauses.

8.26.88.28.8 The Company must pay all stamp duty and other expenses incurred inrespect of the sale that would otherwise be borne by the Authorising Members.

8.26.98.28.9 The Company may enforce the terms of the offer and any contractarising from it on behalf of all or any of the Authorising Members.

8.26.108.28.10 A dispute arising between any of the purchaser, the Company and an Authorising Member in respect of the terms of the offer and the implementation of these clauses must be determined by the auditor ofthe Company acting as an expert and not an arbitrator.

8.278.29 The Company must do all that is reasonable to sell the Unmarketable Holdings of the Authorising Members. A sale may be made only in accordance with the Termsof Sale.

8.288.30 The Company must not sell the shares of a Member who gives notice to theCompany in accordance with clause 8.24.3.

8.298.31 If all the Shares of 2 or more Authorising Members are sold to one purchaser thetransfer may be effected by one transfer document.

8.308.32 The Company must send the proceeds of sale of an Unmarketable Holding to theAuthorising Member by cheque mailed to the Member's address in the Register within 14 days after receipt of the proceeds of sale.

8.318.33 If an Authorising Member's whereabouts are unknown, the proceeds of sale mustbe applied in accordance with the applicable laws dealing with unclaimed moneys.

8.328.34 The receipt of the Company for the proceeds of sale of the shares of an Authorising Member is a good discharge to the purchaser who is not bound to seeto the regularity of the actions and proceedings of the Company under these clauses or to the application of the proceeds of sale.

8.338.35 After entry of the name of the purchaser in the Register as the holder of the shares acquired from an Authorising Member the validity of the sale may not bequestioned by any person.

8.348.36 The Board may not give a notice to Members under clause 8.24 during thetakeover period under a takeover scheme or takeover announcement.

8.358.37 If a takeover offer or takeover announcement is made after the giving of notice toMembers under clause 8.24 and before the sale of an Unmarketable Holding:

8.35.18.37.1 The authority of the Company to sell that Unmarketable Holdingterminates.

8.35.28.37.2 After the end of the takeover period a further notice under this clausemay be given to all Members who then hold Unmarketable Holdings.

8.368.38 Before the ordinary shares of the Company are CHESS Approved Securities,clauses 8.23 to 8.35 do not apply.

9 Transmission of shares

Transmittee right to register or transfer

9.1 Subject to the Bankruptcy Act 1966 and the Corporations Act 2001, if a person entitled to a share because of a Transmission Event gives the Board the information that they reasonably require to establish the person's entitlement to be registered as the holder of any shares, that person may do either of the following:

9.1.1 Elect to be registered as a Member in respect of those shares by givinga signed notice in writing to the Company, and on receiving this notice the Company must register the person as the holder of those shares.

9.1.2 Transfer those shares to another person. That transfer is subject to theprovisions of this document relating to the transfer of shares.

Other transmittee rights and obligations

9.2 A person who has given to the Board the information referred to in clause 9.1 inrespect of a share is entitled to the same rights to which that person would be entitled if registered as the holder of that share.

9.3 A person registered as a Member as a result of a Transmission Event must indemnify the Company and the Board to the extent of any loss or damage suffered by the Company or the Board as a result of that registration.

Deceased members

9.4 If a Member (not being one of several joint registered holders) dies, the Companymust recognise only the legal personal representative of that Member as having any title or interest in a share registered in the name of that Member or any benefits accruing in respect of that share.

9.5 If a Member (being one of several joint registered holders) dies, the Company must recognise only the surviving joint registered holders of that share as havingany title or interest in, or any benefits accruing in respect of, that share.

9.6 Nothing in this document releases the estate of a deceased joint holder from a liability in respect of a share which had been jointly held by the deceased Memberwith other persons.

9.7 Where 2 or more persons are jointly entitled to any share as a consequence of the death of the registered holder of that share, they are taken to be joint holdersof that share.

10 General meetings

Voting qualification time

10.1 Except as stated below, in this document Voting Qualification Time in relation to ageneral meeting means one of the following:

10.1.1 If a determination is made by the convenor of a meeting under clause10.2, the time specified in that determination.

10.1.2 If a determination is not made by the convenor of the meeting, 48 hoursbefore the time for commencement of the meeting or a lesser time fixedin relation to general meetings of the Company for the purposes of this clause by determination of the Board.

10.2 For the purpose of determining voting entitlements at a general meeting, the convenor of a meeting may determine that all the issued voting shares in the Company at a specified time before the meeting are to be regarded as held at thetime of the meeting by the persons who held them at the specified time.

10.3 A determination of a specified time before the meeting must be made beforenotice of the meeting is given.

10.4 The specified time must be not more than 48 hours before the meeting.

10.5 Before the ordinary shares of the Company are CHESS Approved Securities:

10.5.1 Clauses 10.1 to 10.4 do not operate.

10.5.2 The Voting Qualification Time in relation to a general meeting is the time of commencement of the general meeting.

Convening of meetings by Board

10.6 The Board may convene a general meeting at any time**.**

Convening of meetings by members

10.7 The Board must call and arrange to hold a general meeting if required to do so under the Corporations Act 2001.

Directors attendance at general meetings

10.8 A Director is entitled to receive notice of and to attend all general meetings and all general meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.

Notice of general meeting

10.9 A notice of a general meeting may be given by any form of communication permitted by the Corporations Act 2001. The notice must specify the place, the day and the hour of meeting and if the meeting is to be held in 2 or more places, the technology that will be used to facilitate the meeting, the general nature of the business to be transacted and any other matters as are required by the Corporations Act 2001.

10.10 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice by, a person entitled to receive notice does not invalidate a resolution passed at the general meeting.

Cancellation of general meetings

10.11 The Board may cancel a general meeting, other than a general meeting which they are required to convene and hold under the Corporations Act 2001.

10.12 A meeting may only be cancelled in accordance with clause 10.11 if notice of the cancellation is given to all persons entitled to receive notice of the meeting at least 2 business days prior to the time of the meeting as specified in notice of meeting.

Quorum at general meetings

10.13 Business may not be transacted at a general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as otherwise set out in this document, 2 Members present in person or by representative is a quorum.

10.14 If a quorum is not present within half an hour from the time appointed for the meeting or a longer period allowed by the chairperson:

10.14.1 If the meeting was convened by or on the requisition of Members, it must be dissolved.

10.14.2 Otherwise, it must stand adjourned to the same day in the next week at the same time and place or to another day and at another time and place determined by the Board.

10.15 If a meeting has been adjourned to another time and place determined by the Board, not less than 7 days' notice of the adjourned meeting must be given in the same manner as in the case of the original meeting.

Quorum at adjourned general meetings

10.16 If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the meeting must be dissolved.

Appointment of chairperson

10.17 If the Board have elected one of their number as chairperson of their meetings, that person is entitled to preside as chairperson at every general meeting.

10.18 The Directors present at a general meeting must elect one of their number to chair the meeting in either of the following circumstances:

10.18.1 A Director has not been elected as the chairperson of Board meetings.

10.18.2 The chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or he is unwilling to act.

10.19 The Members present at a general meeting must elect one of their number to chair the meeting in

either of the following circumstances:

10.19.1 There are no Directors present within 15 minutes after the timeappointed for the holding of the meeting.

10.19.2 All Directors present decline to take the chair.

Chairperson's powers

10.20 Subject to the terms of this document dealing with adjournment of meetings, theruling of the chairperson on all matters relating to the order of business, procedure and conduct of the general meeting is final and no motion of dissent from a ruling of the chairperson may be accepted.

Adjournment of meetings

10.21 The chairperson may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting to anothertime and to another place.

10.22 The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

10.23 When a meeting is adjourned for 30 days or more, notice of the adjournedmeeting must be given as in the case of an original meeting.

10.24 Except when a meeting is adjourned for 30 days or more, it is not necessary togive a notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting on show of hands

10.25 At a general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is demanded before that vote is taken or before the result is declared or immediately after the result is declared.

10.26 If a poll is not duly demanded, a declaration by the chairperson that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proofof the number or proportion of the votes recorded in favour of or against the resolution.

Demand for a poll

10.27 A poll may be demanded by one of the following:

10.27.1 The chairperson.

10.27.2 At least 5 Members entitled to vote on the resolution.

10.27.3 Any Member or Members with at least 5% of the votes that may be caston the resolution on a poll.

10.28 The demand for a poll may be withdrawn.

10.29 The demand for a poll does not prevent the continuance of a meeting for the transaction of business other than the question on which a poll is demanded.

10.30 If a poll is duly demanded, it must be taken in the manner and, except as to the election of a chairperson or on a question of adjournment, either at once or afteran interval or adjournment or otherwise as the chairperson directs. The result of the poll is the resolution of the meeting at which the poll is demanded.

10.31 A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.

Voting rights of Members

10.32 Subject to any rights or restrictions for the time being attached to a class or classes of shares on a show of hands every person present who was a Memberat the Voting Qualification Time or who

represents a corporation who was a Member at that time has one vote.

10.33 Subject to the rights or restrictions attached to a class or classes of shares, on a poll every person present who was a Member at the Voting Qualification Time and who is present in person or by proxy, attorney or representative has the following voting rights:

10.33.1 One vote for each fully paid share that person held at that time.

10.33.2 For each partly paid share that person held, a fraction of one vote equalto the fraction:

$$\frac{\mathbf{AP}}{\mathbf{NV}}$$ where:

AP is the amount paid on the partly paid share, excluding amountscredited or paid in advance of a call.

NV is the total amount paid or payable (excluding amounts credited) onthat share.

10.34 A Member is not entitled to cast a vote in respect of shares which are classified under the Listing Rules or by ASX as restricted securities while there subsists abreach of an escrow agreement entered into by the Company in respect of the shares.

Joint shareholders' vote

10.35 In the case of joint holders the vote of the senior who tenders a vote, whether inperson or by proxy, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority must be determined by the order in which the names stand in the Register.

Voting rights where calls unpaid

10.36 A Member is not entitled to vote or to be counted in a quorum at a general meeting unless all calls or other sums presently payable by the Member in respect of shares have been paid.

Vote of the Chairperson at general meetings

10.37 In a case of an equality of votes, whether on a show of hands or on a poll, thechairperson of a general meeting has a casting vote in addition to their deliberative vote (if any) as a Member.

Objections to voter qualification

10.38 No objection may be raised to the qualification of a voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered. An objection to the qualification of a voter must be referred to the chairperson, whosedecision is final. A vote not disallowed according to an objection as provided in this document is valid for all purposes. A vote which the Listing Rules require the Company to disregard is not valid.

Virtual Technology and Attendance

10.39 Subject to the Corporations Act and ASX Listing rules, a reference in this Constitution to:

10.39.1 meetings, includes a reference to that meeting being held wholly or partly online, virtually or electronically but does not include any live stream, recording or broadcast of that meeting which does not permit attendees as a whole a reasonable opportunity to engage and participate in the meeting;

10.39.2 the presence of an individual, includes a reference to that individual's presence physically in person or electronically or virtually through the use of any technology; and

10.39.3 the attendance of an individual, includes a reference to that individual attending a meeting, venue or any other applicable place physically in person or electronically or virtually through the use of any technology

11 Proxies and representatives

Proxies and representatives of Members

11.1 At meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or by attorney. A Member which is a corporation may appoint an individual as a

representative. Except as expressly provided by the terms of their appointment, a person attending as a proxy, as the attorney of aMember, or as representing a corporation which is a Member has all the powers of a Member, except where expressly stated to the contrary in this document.

Appointment of proxies

11.2 A Member may appoint either 1 or 2 persons as their proxy to attend and vote instead of the Member. When a Member appoints 2 proxies the appointment mustspecify the proportion of the Member's voting rights which each proxy is entitled to represent. A proxy need not be a Member. A document appointing a proxy must be in writing, signed by the appointor or the attorney of the appointor duly authorised in writing and be in any form permitted by the Corporations Act 2001.

11.3 If the notice of the general meeting for which a proxy is appointed states that proxies may be sent to a specified facsimile number for or on behalf of the Company, a document generated from the image of a document appointing aproxy that is transmitted to that facsimile number is treated as being all of the following:

11.3.1 In writing.

11.3.2 Signed if bearing a facsimile of a signature.

11.3.3 Under seal if bearing a facsimile of a seal.

11.3.4 Deposited with the Company in accordance with this document.

11.4 If the document appointing a proxy is sent by facsimile transmission, any power ofattorney or other authority under which the appointment is signed, or a notarially certified copy of that power or authority, will be taken to be deposited with the Company in accordance with this document if it is transmitted by facsimile with the facsimile transmission of the document appointing the proxy.

Form of proxy

11.5 There is no required form for a proxy. The Board may from time to time approvea form for use at a particular meeting.

Authority of proxies

11.6 A document appointing a proxy may specify the manner in which the proxy is tovote in respect of a particular resolution and, where the document so provides, the proxy is not entitled to vote on the resolution except as specified in the document.

11.7 A proxy may vote on a show of hands but a person holding a proxy for more thanone Member has only one vote.

11.8 A document appointing a proxy confers authority to demand or join in demandinga poll.

11.9 Except as expressly provided by the document appointing a proxy, an appointment of a proxy confers authority to agree to a meeting being convened byshorter notice than is required by the Corporations Act 2001 or by this document.

Verification of proxies

11.10 Before the time for holding the meeting or adjourned meeting at which a proxy proposes to vote, both of the following documents must be deposited with the Company as applicable:

11.10.1 The document appointing the proxy.

11.10.2 The power of attorney or other authority (if any) under which the document is signed or a notarially certified copy of that power or authority.

11.11 Those documents must be received at the Office, at a fax number at the Office orat another place, fax number or electronic address specified for that purpose in the notice convening the meeting not less than 48 hours before one of the following times:

11.11.1 The time for holding the meeting or adjourned meeting.

11.11.2 In the case of a poll, the time appointed for the taking of the poll.

Validity of proxies

11.12 A proxy document is invalid if it is not deposited or produced prior to a meeting ora vote being taken as required by this document.

Revocation of appointment of proxy

11.13 A vote given in accordance with the terms of a proxy document or power of attorney is valid despite the occurrence of any one or more of the following eventsif no intimation in writing of any of those events has been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the document is used:

11.13.1 The previous death or unsoundness of mind of the principal.

11.13.2 The revocation of the instrument or of the authority under which theinstrument was executed.

11.13.3 The transfer of the share in respect of which the instrument or power isgiven.

12 Appointment and retirement of directors

Number of Directors

12.1 Until otherwise determined in accordance with this document, the number of Directors must not be less than 3 nor more than 7. The Directors and Secretaryin office at the date this document is adopted by the Company continue in office subject to this document.

12.2 The Company may, by resolution, increase or reduce the number of Directors andmay also determine in what rotation the increased or reduced number is to go out of office. Alternate Directors are not to be treated as Directors for the purpose of determining the minimum or maximum number of Directors holding office.

Nomination of Directors

12.3 A person other than a Director who retires by rotation or who ceases to be a Director in accordance with this clause 12 is not eligible to be appointed as a Director at a general meeting unless notice of nomination of the person to be aDirector is given to the Company in accordance with this clause 12.

12.4 A notice of nomination of a person to be a Director is:

12.4.1 A statement that the person is, or is nominated as, a candidate forelection as a Director, signed by the person or a Member.

12.4.2 A written consent by the person to act as a Director of the Company.

12.5 A notice of nomination must be given to the Company not later than the last datefor nomination fixed in accordance with clause 12.6.

12.6 The last date for the nomination of persons for election as Directors at a generalmeeting is the later of the following:

12.6.1 35 business days before the date of the general meeting.

12.6.2 Another date, which may not be later than the last date on which the notice convening the general meeting may be lawfully given, fixed in relation to that general meeting by resolution of the Board.

12.7 A Director who retires by rotation at a general meeting or who ceases to be a Director at a general meeting in accordance with this clause 12 is regarded as offering to be re-elected at that general meeting unless before the last date for nomination of Directors the Director gives to the Company written notice that theDirector is not available to be re-elected.

Appointment of Directors

12.8 At a meeting at which a Director retires, the Company may by resolution fill thevacated office by electing a person to that office.

12.9 A retiring Director who offers to be re-elected at a general meeting is re-appointedto the office of Director with effect from the end of that meeting if each of the following is satisfied:

12.9.1 The vacated office is not filled by the election of a Director at themeeting.

12.9.2 The Director is not disqualified under the Corporations Act 2001 fromholding office as a Director,

12.10 This is the case unless at that general meeting either of the following occurs:

12.10.1 It is expressly resolved not to fill the vacated office.

12.10.2 A resolution for the re-election of that Director is put and lost.

Retirement of Directors

12.11 At each annual general meeting of the Company the following Directors mustretire from office:

12.11.1 One third of the Directors for the time being, or, if their number is not 3or a multiple of 3, then the number nearest one third.

12.11.2 Any other Director, except a managing Director, who has been in office for 3 years or more since that Director's election or last re-election as a Director.

12.12 The Directors to retire at an annual general meeting are those who have been longest in office since their last election. If 2 or more persons became Directors on the same day, those to retire must be determined by lot unless they otherwiseagree among themselves.

12.13 A Director retiring at an annual general meeting who is not disqualified by law from being reappointed is eligible for re-election and may act as a Director throughout the meeting at which that Director retires.

12.14 A Director may retire from office by giving notice in writing to the Company of thatDirector's intention to retire. A notice of resignation takes effect at the time which is the later of the following:

12.14.1 The time of giving the notice to the Company.

12.14.2 The expiration of the period, if any, specified in the notice.

Share qualification

12.15 A Director or alternate Director is not required to hold a share in order to holdoffice as a Director or alternate Director.

Casual vacancy Directors

12.16 The Board or the surviving Director may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing number ofDirectors. The total number of Directors may not exceed the number fixed in accordance with this document.

12.17 A Director appointed under clause 12.16:

12.17.1 Holds office only until the next annual general meeting after theappointment and is then eligible for re-election.

12.17.2 Must not be taken into account in determining the Directors who are toretire by rotation at that annual general meeting.

Removal from office

12.18 The Company may by ordinary resolution remove a Director from office and mayby ordinary resolution appoint another person as a replacement. A person appointed to replace a Director removed from office must retire as a Director at the time ascertained as if the person became a

Director on the day on which the Director removed from office was elected or last re-elected a Director.

Vacation of office

12.19 In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Corporations Act 2001 or another provision of this document, the office of Director becomes vacant in any of the following circumstances:

12.19.1 If the Director becomes an insolvent under administration.

12.19.2 If the Director becomes of unsound mind or a person whose person orestate is liable to be dealt with in any way under the law relating to mental health.

12.19.3 If the Director is absent without the consent of the Board from the meetings of the Board held during a continuous period of 6 months andthe Board resolves that the office of that Director be vacated.

12.19.4 If the Director becomes prohibited from being a Director by reason of anorder made under the Corporations Act 2001.

13 Powers and proceedings of the board

Powers of the Board

13.1 The Board may exercise all those powers of the Company as are not, by the Corporations Act 2001, the Listing Rules or by this document, required to be exercised by the Members in general meeting or otherwise.

Convening of Board meetings

13.2 A Director may at any time, and a Secretary must on the requisition of a Director, convene a meeting of the Board.

Notice of Board meetings

13.3 Notice of each meeting of the Board must be given to each Director at least 24hours before the meeting or at another time determined by resolution of the Board.

13.4 All Directors may waive in writing the required period of notice for a particularmeeting.

13.5 It is not necessary to give a notice of a meeting of Board to a Director who is outof Australia or who has been given leave of absence.

Mode of meeting for Board

13.6 A Board meeting may be called or held using any technology consented to by all the Directors. The consent may be a standing one. A Director may only withdrawtheir consent within a reasonable period before the meeting. The Board may otherwise regulate its meetings as it thinks fit.

Quorum at Board meetings

13.7 At a meeting of Board, the number of Directors whose presence is necessary toconstitute a quorum is 2 or another number determined by the Board.

13.8 If the number of Directors is reduced below the number necessary for a quorum of Directors, the continuing Director or Directors may act only to appoint additionalDirectors to the number necessary for a quorum or to convene a general meeting of the Company.

Voting at Board meetings

13.9 Questions arising at a meeting of the Board must be decided by a majority ofvotes of the Directors present and voting. A decision of the majority is for all purposes a decision of the Board.

Appointment of chairperson of the Board

13.10 The Board may elect a Director to chair their meetings and determine the periodfor which the person elected is to hold office.

13.11 If a chairperson has not been elected, or if at any meeting the chairperson is not present within 10 minutes after the time appointed for holding the meeting or is unwilling to act, the Directors present may choose one of their number to chair themeeting.

Chairperson's vote at Board meetings

13.12 The chairperson does not have a casting vote in either of the followingcircumstances:

13.12.1 At a meeting of Board at which only 2 Directors are present.

13.12.2 On the vote on a question to be decided on which only 2 Directors arecompetent to vote.

13.12.3 In all other cases of an equality of votes, the chairperson of the meeting has a casting vote in addition to the chairperson's deliberative vote as a Director.

Participation where Directors interested

13.13 A Director may be present and may vote on a matter before the Board if and tothe extent that they are permitted to do so under the Corporations Act 2001.

13.14 If there are not enough Directors to form a quorum as a result of a Director having an interest which disqualifies them from voting then 1 or more of the Directors (including those who have the disqualifying interest in the matter) may call a general meeting of the Company and the general meeting may pass a resolution to deal with the matter.

Delegation of powers to committee

13.15 The Board may delegate any of its powers to committees consisting of Directors or other persons as they think fit to act in Australia or elsewhere. The exercise ofa power by a committee in accordance with this document is to be treated as the exercise of that power by the Board. In the exercise of any powers delegated to it, a committee formed by the Board must conform to the directions of the Board.

Proceedings of committees

13.16 Except as provided in a direction of the Board, the meetings and proceedings of acommittee formed by the Board must be governed by the provisions of this document, in so far as they are applicable, as if meetings and proceedings of the committee are meetings and proceedings of the Board.

Validity of acts of Board

13.17 All acts done by a meeting of the Board or of a committee of the Board or by a person acting as a Director are valid even if it is later discovered that there is adefect in the appointment of a person to be a Director or a member of the committee or that they or any of them were disqualified or were not entitled to vote.

Minutes

13.18 The Board must cause minutes of all proceedings of general meetings, of meetings of the Board and of committees formed by the Board to be entered, within one month after the relevant meeting is held, in books kept for the purpose.The Board must cause all minutes, except resolutions in writing treated as determinations of the Board, to be signed by the chairperson of the meeting at which the proceedings took place or by the chairperson of the next succeeding meeting.

Resolution in writing

13.19 A resolution in writing signed by all Directors, excluding Directors who have been given leave of absence, is to be treated as a determination of the Board passed ata meeting of the Board duly convened and held.

13.20 A resolution in writing may consist of several documents in like form, each signedby one or more Directors and if so signed it takes effect on the latest date on which a Director signs one of the documents.

13.21 If a resolution in writing is signed by an alternate Director, it must not also besigned by the appointor of the alternate Director and vice versa.

13.22 In relation to a resolution in writing:

13.22.1 A document generated by electronic means which purports to be a facsimile of a resolution of the Board is to be treated as a resolution inwriting.

13.22.2 A document bearing a facsimile of a signature is to be treated as signed.

14 Directors' remuneration

Director's fees

14.1 Subject to the Listing Rules, the Directors shall be entitled to be paid by way offees for their services the aggregate sum determined from time to time by the Company in general meeting.

14.2 The aggregate sum must be divided among the Directors in the proportions and in the manner from time to time agreed by the Board. If they do not agree it must be divided equally.

14.3 The fees payable by the Company to Directors other than executive Directorsmust be by a fixed sum and must not be paid by way of commission on or a percentage of profits or operating revenue.

14.4 The aggregate sum of the Directors fees must not be increased except with theprior approval of the Company in general meeting. The notice convening the meeting must state the amount of the increase in the aggregate sum and the maximum sum that may be paid following the increase.

14.5 Directors' fees accrue from day to day.

Payment for expenses

14.6 In addition to their fees, the Directors must be paid all travelling, accommodation, and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or general meetings or otherwise in the execution of their duties as Directors.

Payment for extra services

14.7 A Director who is called upon to perform extra services or to make a special exertion or to undertake executive or other work for the Company beyond the Director's ordinary duties may be paid additional fees for those services, exertions or work.

14.8 The additional amount may be paid in accordance with both of the following:

14.8.1 Either by fixed sum or salary determined by the Board.

14.8.2 Either in addition to or in substitution for the fees otherwise payable tothe Director.

Payments to former Directors

14.9 Subject to the Corporations Act 2001, the Board may determine that the Company pay a gratuity, pension or allowance, at the time of or following retirement or other vacation of office to a Director or to a relative of a Director andmake contributions to any fund and pay any premiums for the purchase or provision of that gratuity, pension or allowance.

15 Managing and executive Directors

Appointment

15.1 The Board may appoint one or more of their number to hold any executive office of the Company, including that of executive chairperson or managing Director. A Director appointed to an executive office of the Company is referred to in this document as an executive Director. The appointment of a Director to an executive office may be for the period and on the terms determined by the Board,subject to the provisions of the Corporations Act 2001.

Termination of appointment of executive Director

15.2 The Board may revoke or terminate any appointment of a Director to an executiveoffice, but without affecting any claim for damages for breach of any employment contract between the Director and

the Company.

15.3 A Director appointed as executive chairperson or managing Director (or some equivalent title) will automatically cease to hold that office if they cease to be a Director, but without affecting any claim for damages for breach of any employment contract between the Director and the Company. Any other executive Director will not automatically cease to hold their executive office if theycease to be a Director unless the contract or any resolution under which the Director holds office expressly states that they will, in which case that cessation does not affect any claim for damages for breach of any employment contract between the Director and the Company.

Retirement by rotation

15.4 An executive Director who is appointed as a managing Director is not subject toretirement by rotation and is not to be counted in determining the rotation or retirement of the other Directors. Any other executive Director is subject to retirement by rotation.

Remuneration of executive Directors

15.5 Subject to the terms of any agreement entered into between the Company and anexecutive Director, that executive Director is entitled to receive the remuneration determined by the Board. The remuneration of an executive Director may be paid by way of salary, commission, or participation in profits, or partly in one way and partly in another as determined by the Board. The remuneration of an executive Director must not include a commission on or percentage of operating revenue.

Powers of executive Directors

15.6 The Board may entrust to and confer on an executive Director any of the powers exercisable by them on the terms and conditions and with the restrictions determined by the Board. The powers conferred on an executive Director may beconferred on terms that they are to be exercised either concurrently with or to the exclusion of the Board's own powers. The Board may revoke, withdraw, alter, or vary from time to time all or any of the powers of an executive Director.

16 Alternate Directors

Appointment of alternate Directors

16.1 A Director, with the approval of the Board, may appoint a person, whether a Member or not, to be an alternate Director in the Director's place during thoseperiods when the Director is unable to act.

Powers of alternate Director

16.2 An alternate Director is subject in all respects to the terms and conditionsapplying to the other Directors except:

16.2.1 The provisions of this document which relate to the election of Directors,their fees and remuneration and the power to appoint an alternate Director.

16.2.2 As expressly provided in this document.

16.3 An alternate Director is entitled to do all of the following:

16.3.1 Perform all the duties of a Director while the Director who appointed thealternate Director is not exercising or performing them.

16.3.2 Receive notice of meetings of the Board.

16.3.3 Attend, be counted in a quorum, and vote at meetings of the Board if theDirector who appointed the alternate Director is not present.

Termination of appointment of alternate Directors

16.4 The appointment of an alternate Director is immediately terminated if any of thefollowing situations occurs:

16.4.1 The Director who appointed the alternate Director ceases to be aDirector.

16.4.2 The Director who appointed the alternate Director gives notice oftermination of the appointment to the Company.

16.4.3 The Board resolves to terminate the appointment after giving 7 days' notice of intention to remove the alternate Director to the Director whoappointed the alternate Director.

17 Secretary

17.1 The Board must appoint one or more Secretaries and may at any time terminate the appointment or appointments. The Board may determine the terms and conditions of appointment of a Secretary, including remuneration. Any one of the Secretaries may carry out any act or deed required by this document, the Corporations Act 2001 or by any other statute to be carried out by the secretary of the Company.

18 Indemnity and insurance

Indemnity

18.1 Every officer and past officer of the Company may be indemnified by the Company, to the fullest extent permitted by law, against a liability incurred by thatperson as an officer of the Company or a subsidiary of the Company, including without limitation legal costs and expenses incurred in defending an action.

Insurance premiums

18.2 The Company may pay the premium on a contract insuring a person who is orhas been an officer of the Company to the fullest extent permitted by law.

19 Execution of documents

Seal

19.1 The Board will decide whether the Company will have a seal, and if so will providefor the safe custody of the seal.

Execution of documents

19.2 The Company may execute a document by affixing the Seal to the documentwhere the fixing of the Seal is witnessed by any of the following persons:

19.2.1 2 Directors;

19.2.2 A Director and the Secretary.

19.2.3 A Director and some other person appointed by the Board for thepurpose.

19.3 The Company may also execute a document without the use of a seal aspermitted by the Corporations Act 2001.

Official and share Seals

19.4 The Company may have for use in place of the Seal outside the jurisdiction wherethe Seal is kept one or more official seals, to be used in accordance with procedures approved by the Board.

19.5 The Company may have a duplicate common seal which must be a copy of the Seal with the addition on its face of the words 'Share Seal'. A certificate referring to or relating to securities of the Company sealed with the share seal is taken to be sealed with the Seal. Certificates referring to or relating to securities of the Company may be issued bearing a printed impression of the share seal and printed facsimiles of the signatures of the persons permitted by this document to sign and countersign the affixing of the Seal. A certificate so issued is to be takenas sealed with the Seal.

20 Dividends

Declaration of dividends

20.1 Dividends may be declared only by the Board and a dividend may only be paid asallowed by the Corporations Act 2001. Interest is not payable by the Company in respect of a dividend.

Entitlements to dividends

20.2 All dividends must be declared and paid on shares in proportion to the amounts paid (not credited) in proportion to the total amounts paid and payable (excluding amounts credited) in respect of the shares. However, subject to that, if a share isissued on terms that it ranks for dividend as from a particular date, that share ranks for dividend from that date.

20.3 An amount paid on a share in advance of a call must not be treated for thepurposes of this clause 20 as paid or credited as paid on the share.

20.4 Shares which are classified under the Listing Rules or by ASX as restricted securities do not confer a right to receive dividends on the holders of those shareswhile there subsists a breach of an escrow agreement entered into by the Company in respect of the shares.

Amounts due by Member

20.5 The Board may deduct from any dividend payable to a Member all sums of money, if any, presently payable by the Member to the Company on account ofcalls or otherwise in relation to shares in the Company.

Payment of dividends by transfer of property

20.6 A dividend may be paid wholly or partly by the distribution of specific assets,including paid up shares in, or debentures of, another corporation.

20.7 Where any difficulty arises in regard to a distribution satisfied wholly or in part by the distribution of assets, the Board may settle the matter as they think expedient and to that end may do any of the following as required:

20.7.1 Fix the value for distribution of those specific assets or any part of them.

20.7.2 Determine that cash payments are to be made to some Members in order to equitably adjust the rights of all Members.

20.7.3 Vest any of those specific assets in trustees as the Board considers expedient.

Payment of dividends in cash

20.8 A dividend, interest, or other money payable in cash in respect of shares may bepaid by cheque or bankers draft sent through the post directed to either of the following addresses:

20.8.1 The address of the holder as shown in the Register or, in the case of joint holders, to the address shown in the Register of the joint holder who is first named in the Register.

20.8.2 The address which the holder or joint holders direct in writing as the address for payment of dividends.

20.9 Every cheque or draft for moneys referred to in clause 20.8 must be made payable to the person to whom it is sent and may be made payable to bearer. Any one of 2 or more joint holders may give effectual receipts for any dividends,bonuses, or other money payable in respect of the shares held by them as joint holders.

Dividend reinvestment

20.10 The Board may grant to Members or a class of Members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in theCompany on the terms determined by the Board.

Authority to capitalise profits

20.11 The Board may resolve to capitalise the whole or a part of the profits or of anyreserve account of the Company and may apply that amount in any manner permitted by this document, by law and the Listing Rules.

Application of capitalised sum

20.12 A sum capitalised must be applied for the benefit of the Members in the proportions in which those Members would have been entitled to that sum if distributed by way of dividend. A sum capitalised

may be applied by the Board forthe benefit of Members in any manner permitted by this document or by law. To the extent necessary to adjust the rights of Members among themselves, the Board may issue fractional certificates or make cash payments in cases where fractional certificates are required or take any other action necessary to equalise entitlements of Members.

21 Winding up

Rights to capital

21.1 The assets of the Company must on a winding up be applied in repayment to the Members in proportion to their respective holdings. This clause is subject to any express provision of this document.

Ranking of restricted securities

21.2 If at the commencement of a winding up the Company has issued shares whichare classified under the Listing Rules or by ASX as restricted securities and the shares are subject to escrow restrictions, on a return of capital the holders of those shares rank behind all other shares in the Company.

22 Notices

Persons authorised to give notices

22.1 A notice by either the Company or a Member in connection with this document may be given on behalf of the Company or Member by a solicitor, director or company secretary of the Company or Member. The signature of a person on anotice given by the Company may be written, printed or stamped.

Method of giving notices

22.2 In addition to the method for giving notices permitted by statute, a notice by theCompany or a Member in connection with this document may be given to the addressee by any of the following means:

22.2.1 Delivering it to a street address of the addressee

22.2.2 Sending it by prepaid ordinary post (airmail if outside Australia) to astreet or postal address of the addressee.

22.2.3 Sending it by facsimile or e-mail to the facsimile number or e-mail address of the addressee.

Notices to joint holders

22.3 A notice may be given by the Company to the joint holders of a share by givingthe notice to the first named joint holder of the share shown in the Register.

Addresses for giving notices to Members

22.4 The street address or postal address of a Member is the street or postal addressof the Member shown in the Register.

22.5 The facsimile number or e-mail address of a Member is the number which the Member may specify by written notice to the Company as the facsimile number ore-mail address to which notices may be sent to the Member.

22.6 Until a person entitled to a share in consequence of the death or bankruptcy of a Member gives notice to the Company of an address for the giving of notices, the address of that person is the address of the deceased or bankrupt Member.

Address for giving notices to the Company

22.7 The street and postal address of the Company is the Office.

22.8 The facsimile number or e-mail address of the Company is the number which theCompany may specify by written notice to the Members as the facsimile number or e-mail address to which notices

may be sent to the Company.

Time notice of meeting is given

22.9 A notice of meeting given in accordance with this document is to be taken asgiven, served and received at the following times as applicable :

22.9.1 If delivered in writing to the street address of the addressee, at the timeof delivery.

22.9.2 If it is sent by post to the street or postal address of the addressee, onthe business day after posting.

22.9.3 If sent by facsimile or e-mail to the facsimile number or e-mail addressof the addressee, at the time transmission is completed.

Time other notices are given

22.10 A notice given in accordance with this document is to be taken as given, servedand received at the following times as applicable:

22.10.1 If delivered in writing to the street address of the addressee, at the timeof delivery.

22.10.2 If it is sent by post to the street or postal address of the addressee, onthe 2nd (5th if outside Australia) business day after posting.

22.10.3 If sent by facsimile or e-mail to the facsimile number or e-mail addressof the addressee, at the time transmission is completed.

Proof of giving notices

22.11 The sending of a notice by facsimile or e-mail and the time of completion of transmission may be proved conclusively by production of either of the following:

22.11.1 A transmission report by the facsimile machine from which the notice was transmitted which indicates that a facsimile of the notice was sent inits entirety to the facsimile number of the addressee.

22.11.2 A print out of an acknowledgment of a copy of the notice from the system from which it was sent authorised to be a true copy by a Directoror Secretary of the Company.

Persons entitled to notice of meeting

22.12 Notice of every general meeting must be given by a method authorised by thisdocument to all of the following persons:

22.12.1 Every Member.

22.12.2 Every Director and alternate Director.

22.12.3 Every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for the Member's death or bankruptcy,would be entitled to receive notice of the meeting.

22.12.4 The auditor for the time being of the Company, if any.

22.13 No other person is entitled to receive notices of general meetings.

23 Definitions and Interpretation

Definitions

23.1 In this document, the following definitions apply:

ASX means ASX Limited.

ASX Settlement Operating Rules means the ASX Settlement Operating Rulesfrom time to time of ASX Settlement Pty Limited or any replacement rules that apply to trading in shares or other

securities of the Company from time to time.

Board means the board of directors of the Company.

CHESS means the clearing house electronic sub-register systems as defined inthe ASX Settlement Operating Rules.

CHESS Approved Securities means securities of the Company for which approval to participate in CHESS has been given in accordance with the ASXSettlement Operating Rules.

CHESS Subregister means that part of the Register that is administered by ASX Settlement and records uncertificated holdings of CHESS Approved Securities in accordance with the ASX Settlement Operating Rules.

Company means Wellness and Beauty Solutions Limited, ACN 169 177 833.

Director means a person appointed to perform the duties of a director of theCompany.

Listing Rules means the Listing Rules of ASX and any other rules of ASX whichare applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Member means a person whose name is entered in the Register as a member ofthe Company.

Office means the registered office of the Company.

Register means the register of Members kept by the Company under theCorporations Act 2001.

Seal means the common seal of the Company, if any.

Secretary means a person appointed to perform the duties of a secretary of theCompany.

SRN stands for Shareholder Reference Number and means a number allocatedby the Company to identify a holder of shares on an issuer sponsored sub- register.

Restricted Securities has the meaning given to it in the Listing Rules.

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Transmission Event means:

(a) If a Member is an individual, the death or bankruptcy of that Member orthat Member becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health.

(b) If a Member is a body corporate, the deregistration or other dissolutionof that Member.

(c) In any case, the vesting in, or transfer to, a person of the shares of aMember without that person becoming a Member.

Interpretation

23.2 In this document, unless the context otherwise requires:

23.2.1 Words and expressions used in this document which are also used in the Corporations Act 2001, Corporations Regulations 2001, Listing Ruleor ASX Settlement Operating Rules, have the same meanings given to them under the Corporations Act 2001, Corporations Regulations 2001, Listing Rule or ASX Settlement Operating Rules.

23.2.2 A reference to any law or legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision, in either case whether before, on or after the date of this document.

23.2.3 A reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time totime.

23.2.4 A reference to a clause, part, schedule or attachment is a reference to aclause, part, schedule or attachment of or to this document.

23.2.5 Where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase hasa corresponding meaning.

23.2.6 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any genderdenotes the other genders.

23.2.7 An expression importing a natural person includes any company, trust,partnership, joint venture, association, body corporate or public authority.

23.2.8 A reference to dollars or $ means Australian dollars.

23.2.9 References to the word 'include' or 'including' are to be construed without limitation.

23.2.10 A reference to a time of day means that time of day in the place wherethe Office is located.

23.2.11 A reference to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in the place where the Office is located.

23.2.12 Where a period of time is specified and dates from a given day or the day of an act or event it must be calculated exclusive of that day.

23.2.13 A term of this document which has the effect of requiring anything to be done on or by a date which is not a business day must be interpreted asif it required it to be done on or by the next business day.

References to the constitution

23.3 A reference to this document, where amended, means this document as soamended.

Replaceable rules

23.4 Each of the provisions of the Corporations Act 2001 which would but for this clause apply to the Company as a replaceable rule within the meaning of theCorporations Act 2001 are displaced and do not apply to the Company.

Application of Corporations Act 2001 and Listing Rules

23.5 The Corporations Act 2001 applies in relation to this document as if it was an instrument made under the Corporations Act 2001 as in force on the day whenthis document became the constitution of the Company.

23.6 If the Company is admitted to the Official List of ASX, the following clauses apply:

23.6.1 Notwithstanding anything contained in this document, if the ListingRules prohibit an act being done, the act shall not be done.

23.6.2 Nothing contained in this document prevents an act being done that theListing Rules require to be done.

23.6.3 If the Listing Rules require an act to be done or not to be done, authorityis given for that act to be done or not to be done (as the case may be).

23.6.4 If the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to containthat provision.

23.6.5 If the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain thatprovision.

23.6.6 If any provision of this document is or becomes inconsistent with the Listing Rules, this

document is deemed not to contain that provision tothe extent of the inconsistency.

23.7 If the Company is **not** admitted to the Official List of ASX, the following clausesapply:

23.7.1 Notwithstanding anything contained in this document, if a clause makesreference to the applicability of the Listing Rules, this document is deemed not to contain those references to the Listing Rules to the extent of that specific reference.

23.7.2 Notwithstanding anything contained in this document, if a clause makesreference to the applicability of the ASX Settlement Operating Rules, this document is deemed not to contain those references to the ASX Settlement Operating Rules to the extent of that specific reference.

23.7.3 Notwithstanding anything contained in this document, if the clause makes reference to the applicability of CHESS, CHESS Approved Securities and the CHESS Subregister, this document is deemed not tocontain references to those definitions to the extent of those specific references in the document.

Exercise of powers

23.8 Except as specifically contemplated to the contrary in this document, the Company may, in any manner permitted by the Corporations Act 2001 exerciseany power, take any action or engage in any conduct or procedure which underthe Corporations Act 2001 a company limited by shares may exercise, take or engage in if authorised by its constitution.

ABN 43 169 177 833

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

WNB

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Wellness and Beauty Solutions Limited General Meeting

The Wellness and Beauty Solutions Limited General Meeting will be held on Friday,19th August 2022 at 11:00am (AEST). You are encouraged to participate in the meeting using the following options:

MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11:00am (AEST) Wednesday, 17th August 2022.

ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit **https://bit.ly/FY22-AGM**

To vote online during the meeting you will need to visit **https://meetnow.global/MK4CMAL**
For instructions refer to the online user guide www.computershare.com.au/onlinevotingguide

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

ABN 43 169 177 833

WNB

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Wednesday, 17 August 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Wellness and Beauty Solutions Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Wellness and Beauty Solutions Limited to be held virtually on Friday, 19 August 2022 at 11:00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 18, 19, 20 and 21 (except where I/we have indicated a different voting intention in step 2) even though Items 18, 19, 20 and 21 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 18, 19, 20 and 21 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1.	Consolidation of Capital	☐	☐	☐
2.	Approval of change in scale of activities	☐	☐	☐
3.	Approval of the acquisition of Heat Group and issue of consideration Shares to Heat Holdings (ASX Listing Rules)	☐	☐	☐
4.	Approval of the acquisition of Heat Group and issue of consideration Shares to Heat Holdings (Chapter 2E)	☐	☐	☐
5.	Approval of the acquisition of Heat Group and issue of consideration Shares to Heat Holdings (Section 611 (Item 7))	☐	☐	☐
6.	Approval of the acquisition of Aware and issue of consideration Shares to Heat Holdings (ASX Listing Rules)	☐	☐	☐
7.	Approval of the acquisition of Aware and issue of consideration Shares to Heat Holdings (Chapter 2E)	☐	☐	☐
8.	Approval of the acquisition of Aware and issue of consideration Shares to Heat Holdings (Section 611 (Item 7))	☐	☐	☐
9.	Approval of issue of Shares on conversion of Aware Vendor Convertible Notes (Aware Vendors)	☐	☐	☐
10.	Approval of issue of Shares on conversion of RPC Convertible Notes (Aware Related Party Creditors)	☐	☐	☐
11.	Approval of issue of Shares on conversion of Elevon Convertible Notes (Elevon)	☐	☐	☐
12.	Approval of issue of Shares on conversion of Seed Convertible Notes (Non-Related Parties)	☐	☐	☐
13.	Approval of issue of Shares on conversion of Seed Convertible Notes (Related parties – Chapter 2E)	☐	☐	☐
14.	Approval of issue of Shares on conversion of Seed Convertible Notes (Section 611 (Item 7))	☐	☐	☐
15.	Approval of issue of Shares on conversion of DOCA Convertible Notes (DOCA Creditors)	☐	☐	☐
16.	Approval of the assignment of rights under the Actizyme Agreement by Heat Holdings to a child entity of the Company	☐	☐	☐
17.	Approval of issue of Shares under the Public Offer	☐	☐	☐
18.	Approval of Employee Incentive Scheme	☐	☐	☐
19.	Issue of Shares to Mr David Botta	☐	☐	☐
20.	Issue of Shares to Mr Steven Chaur	☐	☐	☐
21.	Issue of Shares to Mr Chris Zondanos	☐	☐	☐
22.	Change of name of the Company	☐	☐	☐
23.	Amendment of the Company's Constitution	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director & Sole Company Secretary	**Director**	**Director/Company Secretary**

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number	Email Address