

Notice of Extraordinary General Meeting and Explanatory Memorandum

Oakridge International Limited ACN 122 203 196

Date of Meeting: 20 June 2024

Time of Meeting: 10:30am

Place of Meeting: BDO Adelaide

Level 7, 420 King William Street, Adelaide, South Australia

This document is important and requires your immediate attention. If you are in doubt as to the action to be taken, you should consult your professional adviser.

Notice is given that an Extraordinary General Meeting of shareholders of Oakridge International Limited ACN 122 203 196 (**Company**) will be held at BDO Adelaide, Level 7, 420 King William Street, Adelaide, South Australia, on 20 June 2024.

Agenda

Resolution 1: Issue of shares and options to Montague Capital Pty Ltd

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

“That for the purposes of section 611 (item 7) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 9,398,496 New Shares, 7,142,857 New Options and the issue of the Shares upon any exercise of the New Options, as further described in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Montague Capital Pty Ltd and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 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 Resolution 1; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report attached in Annexure A for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act.

Further information

Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Meeting.

By order of the board

Julie Edwards
Company Secretary
20 May 2024

Notes

Terms used in this Notice of Meeting and the Explanatory Memorandum and that are not otherwise defined, are defined in the “Interpretation” section of the accompanying Explanatory Memorandum.

For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) the Company determines that members holding Shares at 7pm (Adelaide) on Tuesday, 18 June 2024 will be entitled to attend and vote at the Extraordinary General Meeting.

Proxy Notes

A Proxy Form accompanies this Notice of Extraordinary General Meeting.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting.

Broadly:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chair of the meeting, who must vote the proxies as directed.

In accordance with section 249L of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act, the Company specifies the following for the purposes of receipt of proxy appointments:

Street Address: Link Market Services, 10 Darcy Street, Parramatta NSW 2150

Postal Address: Oakridge International Limited, C/-Link Market Services Locked Bag A14
Sydney South NSW 1235 Australia

Online: at Link’s website <https://investorcentre.linkgroup.com> in accordance with the instructions given (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website).

Fax: +61 2 9287 0309

Each member entitled to vote at the Extraordinary General Meeting has the right to appoint a proxy to vote on the resolution to be considered at the meeting. The member may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution not later than 48 hours before the time of the commencement of the Extraordinary General Meeting.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form. If you have multiple holdings, please complete a Proxy Form for each holding.

Undirected proxies

Where permitted, the chair of the meeting will vote undirected proxies in favour of Resolution 1. Accordingly, if you want to vote against or abstain from voting on Resolution 1, you should direct your proxy how to vote by completing the voting directions on the Proxy Form.

Corporate representatives

A corporation which is a member, or which has been appointed a proxy, may appoint an individual to act as a representative to vote at the Extraordinary General Meeting. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the General Meeting evidence of their appointment unless it has previously been provided to the Company.

Explanatory Memorandum

This Explanatory Memorandum is provided to Shareholders to explain the Resolution to be put to Shareholders at the Extraordinary General Meeting of the Company to be held at BDO Adelaide, Level 7, 420 King William Street, Adelaide, South Australia.

The Independent Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolution.

Resolution 1: Issue of Shares and Options to Montague Capital Pty Ltd

1. ASX Listing Rule 10.11

1.1 Background

The Company entered into a Subscription Agreement with Montague Capital Pty Ltd (**Montague** or **Subscriber**) (**Subscription Agreement**), to raise \$500,000 by an issue of 9,398,496 Shares at an issue price of \$0.0532 each (**New Shares** or **Subscription Shares**). The issue price represents a 15% discount to the 30-day volume weighted average price at 15 March 2024. The Company will also issue 7,142,857 options to the Subscriber pursuant to the Subscription Agreement, each with an exercise price of \$0.07 and an expiry date of 30 June 2026 (**New Options**) (**Proposed Transaction**).

The issue of the New Shares will provide funding for general working capital purposes. The Company will also be able to pursue opportunities for growth in the healthcare sector, should those opportunities present.

The Subscriber is a related party of the Company because it is controlled by Con Unerkov, a director of the Company.

The issue of the New Shares and New Options is subject to several conditions, including shareholder approval.

1.2 Regulatory Framework

ASX Listing Rule 10.11.1 provides that a company must not issue equity securities to a related party without the approval of shareholders.

Pursuant to Listing Rule 7.2 Exception 14, where approval under Listing Rule 10.11 is obtained, approval is not required under Listing Rule 7.1 and the issue of securities will not be included in the Company's 15% limit under Listing Rule 7.2.

If Resolution 1 is passed by Shareholders:

- (a) the Company will be able to proceed with the issue of 9,398,496 New Shares and 7,142,857 New Options to Montague, subject to the terms of the Subscription Agreement including the receipt of the issue price;
- (b) the Company's cash reserves will increase by \$500,000 upon the issue of the New Shares; and
- (c) the total number of equity securities on issue will increase. See the tables in section 1.6 below for further details on the Company's capital structure and details of Mr Unerkov's potential maximum voting power in the Company.

If Resolution 1 is not passed by Shareholders:

- (a) the Company will not issue New Shares and New Options to Montague and a condition precedent to the Subscription Agreement will not be satisfied;
- (b) the Company will not receive any funds from Montague under the Subscription Agreement; and
- (c) The Company must pay Montague a break fee of \$25,000.

1.3 Specific information required by ASX Listing Rule 10.13

ASX Listing Rule 10.13 sets out several matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 1:

Required Disclosure under Listing Rule 10.13	Disclosure
The name of the person:	Montague Capital Pty Ltd
Which category in rules 10.11.1 – 10.11.5 the person falls within and why	Montague is a related party of the Company because it is controlled by Con Unerkov, a director of the Company.
Number of Securities to be issued:	9,398,496 fully paid ordinary shares; and 7,142,857 options to subscribe for fully paid ordinary shares.
Summary of the material terms of Securities:	The terms and conditions relating to the New Options are summarised in Schedule 1 of this Explanatory Memorandum.
Date of issue:	The New Shares and New Options will be issued as soon as is practicable after the meeting, but in any event will be issued no later than 1 month after the Meeting.
Issue price or consideration:	The issue price of the New Shares is \$0.0532 each. The New Options will be issued for nil cash consideration. The Company indicatively estimates the value of the New Options to be \$0.021 per Option based on a Black-Scholes valuation method (see section 1.4). However, should Montague exercise the New Options, the Company will receive \$500,000 from such exercise.
The purpose of the issue, including intended use of funds raised:	The Company will use the proceeds of the issue of the New Shares for general working capital purposes. The Company may also use part of the proceeds from the issue of the New Shares to pursue opportunities for growth in the healthcare sector, should those opportunities present.
If the securities are issued under an agreement, a summary of any other material terms of the agreement:	The New Shares and New Options will be issued pursuant to a Subscription Agreement, the terms of which are summarised in Schedule 1.
Voting exclusion statement:	A voting exclusion statement is included in the Notice of Meeting.

1.4 Additional Information about the New Options

The following additional information is provided regarding the New Options:

- (a) Montague will receive a financial benefit from the grant of the New Options. As the New Options will not be quoted on ASX they will, from a practical viewpoint, have a lesser value as the market for the New Options, as an unlisted security, will be limited and because, to obtain any inherent value in the New Options, Montague may have to exercise them to acquire ordinary shares (which will be listed and tradeable on ASX). Over the last 12 months up to 18 April 2024 (18 April 2024 having been chosen as the most recent date prior to the date of this Notice), the shares have traded in the range between \$0.05 and \$0.175 per Share, with a share price of \$0.055 being the most recent closing price prior to 18 April 2024. The New Options are capable of being converted to Shares by payment of the exercise price, each will have an exercise price of \$0.07 (7 cents).
- (b) Options are priced using a Black-Scholes model. Expected volatility is based on the historical share price volatility of the Company over the reporting period, therefore a volatility of 80% has been selected in valuing the Options. A risk-free rate of 3.94% has been used in valuing the Options, which rate is based on the current Treasury Bond yields with a maturity approximating the expiry date of the Options. The assessed fair value of the Options to be issued to Montague as follows:

Assumptions

Set out below are the assumptions that were selected in arriving at an indicative value of the options.

- (i) A share price of \$0.055 based on the current share price of the underlying shares on 18 April 2024 of \$0.055.
 - (ii) A volatility percentage of 80% has been selected based on the historical volatility of share price returns for the Company and comparable companies listed on the ASX.
 - (iii) The options issued have an exercise price of \$0.07.
 - (iv) The options vest immediately on grant date.
 - (v) The proposed options will expire 30 June 2026.
 - (vi) Risk free rate of 3.94% based on the current Treasury Bond yields with a maturity approximating the expiry date of the options.
 - (vii) The Company does not have a history of paying dividend and as such we assumed that no dividends will be paid during the currency of the options.
- (c) However, the actual financial benefit to be derived by Montague from the grant of the Options may be greater or less than the value attributed thereto by that methodology as the actual benefit to be derived will depend on the future price of Shares in the Company.
- (d) Additionally, as the New Options will not be officially quoted on ASX the value thereof may, as noted above, be less than if they were quoted because of the market for them being restricted which may mean the Subscriber has to exercise them to derive the inherent value therein.

2. Chapter 6 of the Corporations Act

2.1 Section 606 and section 611 (item 7) of the Corporations Act

Under section 606 of the Corporations Act, subject to limited specified exemptions, a person must not acquire a relevant interest in issued voting shares in a public company, if because of the acquisition any person's voting power in the company would increase:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(the **Takeover Prohibition**).

In broad terms, a person has a 'relevant interest' in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's voting power in a company is the number of voting shares in which the person and its associates have a relevant interest in compared with the total number of voting shares in a company. As at the date of this Explanatory Memorandum, Mr Unerkov has a current disclosed voting power of 14.2% in the Company. Following the issue of the New Shares, Mr Unerkov's voting power in the Company will increase from 20% or below to more than 20%. The subsequent issue of any

Shares on exercise of the New Options will further increase Mr Unerkov's voting power in the Company from a starting point that is above 20%.

Item 7 of section 611 of the Corporations Act provides an exception to the Takeover Prohibition and allows a person and its associates to acquire a relevant interest in shares that would otherwise be prohibited under section 606(1) of the Corporations Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

- (a) no votes are cast in favour of the resolution by the person proposing to make the acquisition and their associates; and
- (b) the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution.

2.2 Effect on capital structure and relevant interests

The effect of the Subscription Agreement on the capital structure of the Company, subject to the assumptions noted below, is summarised in the following table:

Security	Number
Shares currently on issue	17,599,412
Options currently on issue (unrelated to Mr Unerkov)	306,840
Options currently on issue (related party of Mr Unerkov)	599,970
New Shares	9,398,496
New Options	7,142,857
Total Equity Securities	35,047,575

This table assumes that the Company has 17,599,412 Share on issue as at the date of this Explanatory Memorandum and Resolution 1 is passed and no other equity securities are issued, converted, lapse of expire prior to completion occurring under the Subscription Agreement.

Based on the assumptions noted below, the anticipated maximum relevant interest of Mr Unerkov and his associates and the voting power of Mr Unerkov in the Company (both current and following the proposed transaction) are set out below:

Security	All Shareholders	Non-associated Shareholders	Mr Unerkov and related parties
Shares currently on issue	17,599,412	15,099,412	2,500,000
Current voting power	100%	85.80%	14.20%
New Shares	9,398,496	-	9,398,496
Total Shares post-issue of Subscription Shares	26,997,908	15,099,412	11,898,496
Voting power post-issue of Subscription Shares	100%	55.93%	44.07%
Number of New Options and existing related party Options	-	-	7,742,827
Total Shares post-exercise of New Options and existing related party Options	34,740,735	15,099,412	19,641,323
Maximum voting power post-exercise of New Options	100%	43.46%	56.54%

This table assumes that the Company has 17,599,412 Shares on issue as at the date of this Explanatory Memorandum, that other than pursuant to the Subscription Agreement, no further equity securities are issued,

no equity securities are converted into shares other than those controlled by Mr Unerkov and Mr Unerkov and his associates do not transfer nor dispose of any equity securities that they hold or that are issued to them and all New Options and other options held by Mr Unerkov or his associates are exercised.

2.3 Independent Expert's Report

The Independent Expert's Report prepared by the Independent Expert (a copy of which is attached as Annexure A to this Explanatory Memorandum) assesses whether the Proposed Transaction is fair and reasonable to the Company's Shareholders who are not associated with Montague.

The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable to Shareholders (other than Montague and its associates).

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

2.4 Potential advantages of the Proposed Transaction

The Independent Directors are of the view the following non-exhaustive list of advantages to the Company and Shareholders who are not associates of Montague of approving the Proposed Transaction may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Company will receive \$500,000 (before costs) upon the issue of the Subscription Shares. This will provide the Company with funds for general working capital purposes and allow the Company to pursue opportunities for growth in the healthcare sector, should those opportunities present;
- (b) the Independent Expert has concluded that the Proposed Transaction is not fair but reasonable to Shareholders (other than Montague and its associates);
- (c) in addition, the Independent Expert has noted advantages of the Proposed Transaction in section 13.5 of its report:
- (d) the Independent Expert has considered the potential disadvantages of the Proposed Transaction (as summarised in section 13.6 of its report) and concluded that the advantages of the Proposed Transaction are greater than the disadvantages.

2.5 Potential disadvantages of the Proposed Transaction

The Independent Directors consider that there are potential disadvantages of approving the Proposed Transaction that may be relevant to a Shareholder's decision on how to vote on Resolution 1, including:

- (a) the Proposed Transaction will have a dilutionary effect on holdings of other Shareholders. This will affect the ability of Shareholders to influence decisions of the Company in the future. See the tables in section 2.2 above for details of the maximum potential impact the Proposed Transaction may have on the Company's capital structure and details of the impact on Mr Unerkov's voting power in the Company;
- (b) upon completion of the Subscription Agreement, the Company will issue 9,398,496 Subscription Shares. As a result, Mr Unerkov's voting power in the Company will increase to up to 44.07% (excluding any Shares on the exercise of Options), with the potential for his voting power to increase to up to 56.54% following the exercise of all of New Options and existing related party Options. As a result, Mr Unerkov will have significant influence over all matters that require approval by Shareholders, including the election of directors and approval of significant corporate transactions. It may also discourage a potential bidder from proposing a merger by scheme of arrangement or making a takeover bid for the Company;
- (c) there is no guarantee that the Company's Shares will not fall in value as a result of the Proposed Transaction; and
- (d) in addition, the Independent Expert has noted the following potential disadvantages of the Proposed Transaction (which, in the Independent Expert's opinion, are outweighed by the advantages of the Proposed Transaction):
 - (i) dilution of Shareholders' interests and reduced level of control over the Company;

- (ii) the existence of a large shareholding which can block ordinary and special resolutions may be a deterrent to potential future takeover bids; and
- (iii) a substantial number of Shares may be sold on the open market as Montague is not significantly restricted from dealing with its Shares following the Proposed Transaction,

(refer to section 13.6 of the Independent Expert's Report for further information on the disadvantages of the Proposed Transaction).

2.6 Other information required by section 611 (item 7) and ASIC Regulatory Guide 74

The following information is provided in accordance with section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74 in respect of the Proposed Transaction:

(a) *The identity of the person proposing to make the Proposed Transaction and their associates*

The New Shares and New Options (including Shares issued pursuant to the exercise of the New Options) will be issued to Montague, a company controlled by Mr Unerkov.

Other than the Montague, Mr Unerkov controls SJKC Nominees Pty Ltd which has a relevant interest in 599,970 options in the Company.

(b) *An explanation of the reasons for the Proposed Transaction*

Section 1.1 of this Explanatory Memorandum provides background to and a reason for the Proposed Transaction. Section 2.4 contains a non-exhaustive list of advantages to the Company and Shareholders (other than Montague and its associates) of approving the Proposed Transaction that may be relevant to a Shareholder's decision on how to vote on Resolution 1.

Section 2.5 contains a list of potential disadvantages of the Proposed Transaction that Shareholders should be aware of in deciding how to vote on Resolution 1.

(c) *When the Proposed Transaction is to occur*

The Proposed Transaction will occur upon completion occurring under the Subscription Agreement, currently scheduled to occur 7 business days after the date of the meeting to which this Explanatory Memorandum relates, subject to and in accordance with the terms of the Subscription Agreement.

The New Options may be exercised by the delivery to the registered office of the Company of a notice in writing stating the intention to exercise all or a specified number of New Options and a cheque made payable to the Company or an electronic payment in immediately available funds, of the aggregate exercise price of the New Options being exercised.

(d) *The material terms of the Proposed Transaction*

A summary of the key terms of the Subscription Agreement is set out in schedule 1.

(e) *The voting power of the person and its associates would have as a result of the Proposed Transaction and the maximum extent of the increase in their voting power*

See the tables in section 2.2 above for further details of the potential impact Proposed Transaction may have on the Company's capital structure and details of the impact on Mr Unerkov's voting power in the Company.

(f) *Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the Proposed Transaction*

There is no such other relevant agreement.

(g) *Intentions of Mr Unerkov regarding the future of the Company*

Other than as disclosed elsewhere in this Explanatory Memorandum, Mr Unerkov has confirmed to the Company that he:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company, unless requested by the Company in the future;

- (iii) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (iv) has no present intention to redeploy any fixed assets of the Company;
- (v) has no present intention to transfer any property between the Company and themselves;
- (vi) has no present intention to change the Company's existing policies in relation to financial matters or dividends; and
- (vii) has no present intention to change the Board.

The Company takes no responsibility for any omission from, or any error or false or misleading statement in this section 2.6(g) of the Explanatory Memorandum.

Mr Unerkov does not make, nor purport to make, any statement in this Explanatory Memorandum other than the statements in this section 2.6(g) of the Explanatory Memorandum attributed to him. To the maximum extent permitted by law, Mr Unerkov expressly disclaims liability to Shareholders and takes no responsibility for any omission from, or any error or false or misleading statement in, any other part of this Explanatory Memorandum.

3. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Montague, being controlled by Mr Unerkov, a director of the Company, is a related party of the Company.

Under section 211 of the Corporations Act, shareholder approval is not needed to give a financial benefit to a related party on terms that:

- (a) would be reasonable in the circumstances if the public company and related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Independent Directors have come to the view that the exception in section 211 of the Corporations Act applies, such that approval for the Proposed Transaction for the purpose of Part 2E of the Corporations Act is not required, noting that the Independent Expert has concluded that the Proposed Transaction is reasonable.

4. Recommendation of the Independent Directors

The Independent Directors unanimously recommend that Shareholders vote in favour of Resolution 1 for the reasons outlined in this Explanatory Memorandum, including sections 2.4 and 2.5 in respect of the advantages and potential disadvantages of the Proposed Transaction respectively, in relation to Resolution 1. The Independent Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Subject to any required voting exclusion, each of the Independent Directors has agreed to vote, or procure the voting of, any Shares that they control in favour of Resolution 5.

Mr Unerkov does not make any recommendation in respect of Resolution 1 because he is an associate of Montague.

Interpretation

EGM means extraordinary general meeting.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange.

Board means the board of directors of the Company.

Company means Oakridge International Limited ACN 122 203 196.

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

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Independent Directors means the Directors excluding Mr Unerkov.

Listing Rule means the official listing rules of the ASX as amended from time to time.

Meeting or **Extraordinary General Meeting** means the Extraordinary general meeting to be held on 20 June 2024.

Montague means Montague Capital Pty Ltd.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Proposed Transaction has the meaning given in section 1.1.

New Options means 7,142,857 Options with an exercise price of 7 cents and expiring 30 June 2026 in accordance with the Subscription Agreement with Montague.

New Shares means 9,398,496 Shares proposed to be issued to Montague.

Resolution means a resolution proposed at the Meeting.

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

Shareholder means a holder of Shares in the Company.

Subscription Agreement means the subscription agreement dated 13 April 2024 between the Company and Montague.

Subscription Shares means 9,395,496 new Shares to be issued to Montague at an issue price of \$0.0523 each in accordance with the Subscription Agreement.

Terms otherwise used in this Explanatory Statement and which are defined in the Corporations Act or Listing Rules, have the same meaning as given in the Corporations Act or Listing Rules, respectively.

Schedule 1

Summary of material terms of the Subscription Agreement.

Amount	\$500,000 for the issue of the Shares.
Securities	<p>Securities to be issued:</p> <ul style="list-style-type: none"> • 9,398,496 fully paid ordinary shares; and • 7,142,857 options, each having an exercise price of \$0.07 each and an expiry date of 30 June 2026. No amount is payable for the issue of the options.
Conditions precedent	<p>Conditions precedent to completion of the issue of the Securities are:</p> <ul style="list-style-type: none"> • (member approval) the Company's shareholders have approved by the appropriate majority in a general meeting: <ul style="list-style-type: none"> ○ the issue of the Securities for all purposes including (without limitation) for the purposes of Listing Rule 7.1, Listing Rule 10.11 and section 611(7) of the Corporations Act (and, as applicable, the issue of shares on exercise of the Options); ○ any other approvals required under the ASX Listing Rules and the Corporations Act in order for the Company to comply with all of its obligations under this agreement; • (independent expert's opinion) the independent expert appointed to opine on the issue of the Securities to the Subscriber finds that the matters on which it opines are either: <ul style="list-style-type: none"> ○ fair and reasonable; or ○ not fair but reasonable, <p>and in the best interests of the Company's shareholders, and the independent expert does not change that finding or withdraw its report prior to the general meeting;</p> • (ASX waivers and ASIC relief) all necessary: <ul style="list-style-type: none"> ○ waivers of, approvals under, or confirmations under, the ASX Listing Rules; and ○ relief from, or declarations or modifications in connection with, the Corporations Act, <p>which are required to lawfully and validly grant the Placement Shares and Options and permit their exercise in accordance with their terms, have been obtained;</p> • (Company Warranties) each of the warranties given by the Company under the Subscription Agreement are true and accurate in all material respects immediately prior to the completion date; • (no material adverse change) no material adverse change has occurred between the date of the agreement and the completion date. <p>The Company must use best endeavours to ensure that the conditions precedent are satisfied as expeditiously as possible, and in any case before 30 June 2024.</p>

Terms of the Options proposed to be issued pursuant to the Subscription Agreement are as follows:

Entitlement

Each Option entitles the registered holder(s) of the Option to subscribe for one fully paid Share at the Exercise Price in accordance with these terms. In the calculation of any entitlement, fractions will be rounded up to the nearest whole number.

Register

The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act.

Transfer/Transmission

The Options are transferable in whole or in part, subject to applicable requirements of the Constitution, the Corporations Act and the Listing Rules.

Expiry

An Option will expire on the Expiry Date. Any Option not exercised on or before the Expiry Date will automatically lapse.

Exercise

An Option may be exercised by delivery to the Company of a duly completed Option Exercise Form, signed by the registered holder(s) of the Option, together with payment to the Company of the Exercise Price for each Option being exercised.

An Option may be exercised on any Business Day from the date of grant of an Option to the Expiry Date (inclusive), but not thereafter.

An exercise of Options is only effective when the Company has received a duly completed Option Exercise Form and the full amount of the Exercise Price in Immediately Available Funds.

Option holders can exercise part of their Option holding. However, the minimum number of Options that can be exercised each time is the lower of: (a) 100 Options and (b) all the Options held by the Option holder.

Issue of Shares

The Company must issue to the Option holder one Share on exercise of an Option within 5 Business Days of the date on which an Option exercise took effect. Shares so issued will rank equally with other issued Shares of the Company from the date of issue.

Dividend Entitlement

Options do not carry any dividend entitlement until they are exercised. Shares issued upon the exercise of Options will only participate in a future dividend or other shareholder action if such Shares have been issued on or prior to the applicable record date for determining entitlements.

Voting Rights

The Options do not confer on the holder a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.

Participating Rights

An Option holder may only participate in new issues of securities to holders of Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

Adjustments

If between the date of issue and the date of exercise of an Option the Company makes one or more rights issues (being a pro-rata issue of Shares in the capital of the Company that is not a bonus issue), the Exercise Price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NP = OP - \frac{E(P - (S + D))}{(N + 1)}$$

Where:

- NP** = the new Exercise Price of the Option;
- OP** = the old Exercise Price of the Option;
- E** = the number of Shares into which one Option is exercisable;
- P** = the average market price per Share (weighted by reference to volume) recorded on ASX during the five (5) trading days ending on the day before the ex-rights date or ex-entitlements date (excluding special crossings and overnight sales);
- S** = the subscription price for Share to be issued under the pro rata Issue;
- D** = the amount of any dividend due but not yet paid on the existing Shares (except those securities to be issued under the pro rata issue);
- N** = the number of existing Shares with rights or entitlements that must be held to receive a right to one new security under the pro rata issue.

No change will be made to the number of Shares to which the Option holder is entitled upon exercise of the Option as a result of the rights issue adjustment above.

If the Company makes a bonus issue of Shares, the number of Shares issued on exercise of each Option will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue of Shares. No change will be made to the Exercise Price.

Reconstructions and Alterations of Capital

Any adjustment to the number of unexercised Options and the Exercise Price under a re-organisation or alteration of the Company's share capital must be made in accordance with the Listing Rules applying to a reorganisation or alteration of capital at the time of the reorganisation or alteration.

ASX Quotation of the Options

The Options will not be quoted on ASX.

ASX Listing

The Company must make an application for quotation of Shares issued on exercise of the Options on ASX in accordance with the Listing Rules.

Oakridge International Limited

Independent Expert's Report

8 May 2024



FINANCIAL SERVICES GUIDE

Dated: 8 May 2024

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance (SA) Pty Ltd ('BDO Corporate Finance, 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: 259983
- 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 \$30,000 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 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

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11839). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority (AFCA) Contact Details	
Email:	info@afca.org.au
Phone:	1800 931 678
Online Address:	http://www.afca.org.au
Mail:	GPO Box 3, Melbourne VIC 3001
Fax:	(03) 9613 6399
Interpreter Service:	131 450

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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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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8 May 2024

The Directors
Oakridge International Limited
Suite 3, Level 3, 89 Pirie Street
Adelaide SA 5000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 15 April 2024 Oakridge International Limited ('OAK' or 'the Company') announced it has entered into a Subscription Agreement with Montague Capital Pty Ltd ('Montague') to raise \$500,000 by an issue of 9,398,496 shares ('Subscription Shares').

The Company will also issue 7,142,857 options to Montague pursuant to the Subscription Agreement, each with an exercise price of \$0.07 and an expiry date of 30 June 2026 ('Subscription Options') (Proposed Transaction).

Montague is controlled by Mr Con Unerkov ('Unerkov') a director of OAK.

2. Summary and Opinion

2.1 Requirement for the Report

The independent directors of OAK have requested that BDO Corporate Finance (SA) Pty Ltd ('BDO') prepare an independent expert's report ('**Report**' or '**IER**') to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to, and in the best interests of, the non-associated shareholders of OAK ('**Shareholders**'), in satisfaction of one of the conditions precedent in the Subscription Agreement.

Our Report is prepared at the request of the independent directors of OAK and pursuant to section 611 of the Corporations Act 2001 Cth ('**Corporations Act**' or '**the Act**') and is to be included in the Notice of Meeting ('**NoM**') for OAK in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

The independent directors of OAK have requested that BDO prepare an IER stating whether, in BDO's opinion, the Proposed Transaction is fair and reasonable to, and in the best interests of, Shareholders.

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides, Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this Report. We have considered:

- how the value of an OAK share prior to the Proposed Transaction on a control basis compares to the value of an OAK share following the Proposed Transaction on a minority basis;
- the likelihood of an alternative offer being made to OAK;
- whether a premium for control is being offered in relation to the issue of OAK shares and whether this is appropriate;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- the position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of an OAK share prior to the Proposed Transaction on a control basis is greater than the value of an OAK share following the Proposed Transaction on a minority basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to Shareholders are greater than the disadvantages. In particular, funds raised from the Subscription Shares will support the working capital requirements of the Company.

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is in the best interest of the non-associated shareholders of OAK.

In our opinion, the Proposed Transaction is not fair but reasonable. Therefore, in satisfaction of one of the conditions precedent in the Subscription Agreement, the Proposed Transaction is in the best interests of Shareholders.

2.4 Fairness

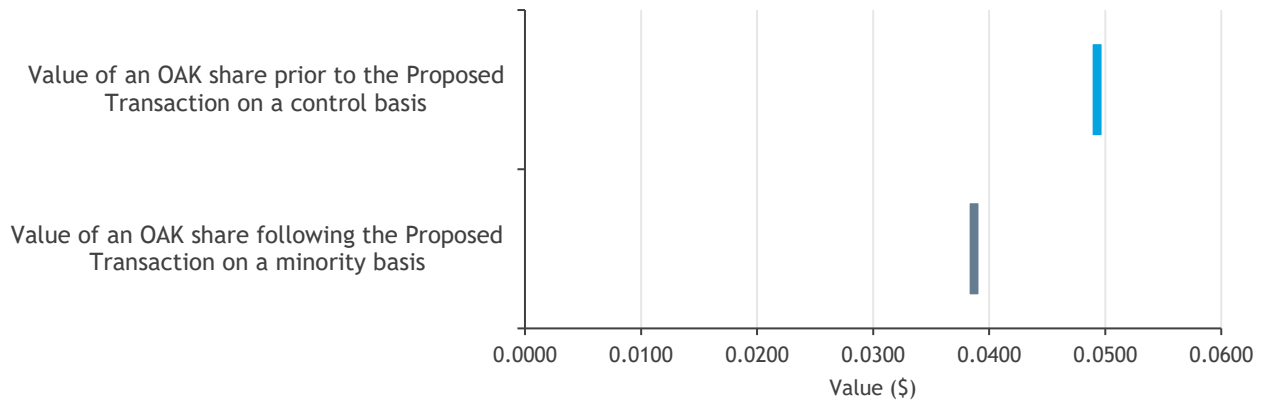
In Section 12 we determined that the Proposed Transaction consideration compares to the value of OAK, as detailed below.

	Ref	Value (\$)
Value of an OAK share prior to the Proposed Transaction on a control basis	10.3	0.0498
Value of an OAK share following the Proposed Transaction on a minority basis	11	0.0392

Source: BDO analysis

The above valuation ranges are graphically presented below.

Valuation Summary



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Proposed Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below.

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	Increased cash for general working capital	13.5	Dilution of existing shareholders' interest
13.4	Future growth in healthcare sector	13.5	Substantial changes to voting power
		13.5	No guarantee of future share value
		13.5	Restriction on resolutions
		13.5	No restriction on future sale of shares

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Practical level of control
13.3	Consequences of not approving the Proposed Transaction
13.4	Liquidity requirements of the Company

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act ('Section 606') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%.

Section 611 of the Corporations Act ('Section 611') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('item 7 s611') permits such an acquisition if the shareholders of OAK have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution OAK can commission an Independent Expert's Report.

The independent directors of OAK have commissioned this Independent Expert's Report to satisfy this obligation.

A condition precedent in the Subscription Agreement is OAK obtaining a report from an independent expert opining that the Proposed Transaction is in the best interest of Shareholders (including where the report opines that the Proposed Transaction is 'not fair but reasonable') ('IER Condition').

Corporations Act section 208 - Need for member approval for financial benefit

Section 208 prohibits the giving of a financial benefit to a related party of the company, without the approval of its shareholders. Unerkov, a director of OAK, is a related party and an OAK shareholder through an associated entity, Montague.

Listing Rule 10.11 provides that a company must not issue shares to a related party without the approval of shareholders unless one of the exceptions in Listing Rule 10.11 applies. As the Company is getting approval under Section 611 it is not required to get approval under Listing Rule 10.11 (per Listing Rule 10.12 Exception 6).

We note that Corporations Act section 208 does not specifically require the directors to commission an independent expert's report but that the opinion provided in our Report addresses the issues relevant to OAK shareholders in assessing whether to approve the Proposed Transaction in relation to Corporations Act section 208.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111

suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should 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. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- a comparison between the value of an OAK share prior to the Proposed Transaction on a control basis and the value of an OAK share following the Proposed Transaction on a minority basis (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution relating to the Proposed Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

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 follows:

'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.

4. Outline of the Proposed Transaction

On 15 April 2024, OAK entered into a Subscription Agreement with Montague to raise \$500,000 by an issue of 9,398,496 new shares at an issue price of \$0.0532 per share. The issue price represents a 15% discount to the 30-day volume weighted average price at 15 March 2024.

The Company will also issue 7,142,857 options to Montague, each with an exercise price of \$0.07 and an expiry date of 30 June 2026.

Unerkov is a shareholder and director of Montague.

OAK advise the purpose of the \$500,000 Investment by Montague is to provide funding for general working capital purposes. The Company will also be able to pursue opportunities for growth in the healthcare sector, should those opportunities present.

As at the date of our Report, Montague holds a relevant interest in 2,500,000 shares in the Company representing a 14.21% shareholding on an undiluted basis. The issue of the Subscription Shares to Montague will increase their holding in OAK to 11,898,496 shares representing a maximum holding of 44.07% on an undiluted basis.

The table below shows the change in holding in OAK by Montague on an undiluted basis before and after the issue of the Subscriptions Shares.

	Number
Issued shares of OAK as the date of our Report	17,599,412
Shares to be issued to Montague	9,398,496
Total number of OAK shares following the issue of Subscription Shares	26,997,908
Shares held by Montague at the date of our report	2,500,000
% holding at the date of our Report	14.21%
Shares held by Montague following the issue of Subscription Shares	11,898,496
% holding post Proposed Transaction	44.07%

Source: Management and BDO analysis

Dilutive impact - Options

As at the date of this Report, the Company has 906,810 options on issue exercisable at \$0.10 of which 306,840 are exercisable on or before the 13 November 2026 and 599,970 are exercisable on or before the 19 December 2026.

599,970 options are held by SJKC Nominees Pty Ltd ('SJKC'). Unerkov is a shareholder and director of SJKC, therefore SJKC is a related party of Montague.

As at the Report date Montague does not hold any options.

The table below shows the breakdown of the total number of shares in OAK based on the exercise of the Subscription Options by Montague only.

	Montague	Other shareholders	Total
Issued shares as the date of our Report	2,500,000	15,099,412	17,599,412
New shares to be issued following the transaction	9,398,496	-	9,398,496
Option conversion	7,142,857	-	7,142,857
Issued shares post Proposed Transaction and exercise of Subscription Options	19,041,353	15,099,412	34,140,765
% holding at the date of our Report	14.21%	85.79%	100.00%
% holding post Proposed Transaction	55.77%	44.23%	100.00%

Source: Management and BDO analysis

As shown in the table above, in the case that Montague exercises their Subscription Options and no other options, are exercised, Montague would have the capacity to increase its shareholding interest to 55.77%.

The table below shows the breakdown of the total number of shares in OAK based on the exercise of the options held by SJKC following the Proposed Transaction as well as Montague exercising their Subscription Options.

	Montague	SJKC	related parties	Total
Issued shares as the date of our Report	2,500,000	-	-	2,500,000
New shares to be issued following the transaction	9,398,496	-	-	9,398,496
Option conversion	7,142,857	599,970	-	7,742,827
Issued shares post Proposed Transaction and exercise of Subscription Options	19,041,353	599,970	-	19,641,323
% holding at the date of our Report	14.21%	0.00%	-	14.21%
% holding post Proposed Transaction	54.81%	1.73%	-	56.54%

Note: The total number of shares issued following the Proposed Transaction, along with the exercise of OAK Subscription Options and SJKC options, equals 34,740,735.

Source: Management and BDO analysis

As shown in the table above, in the case that Montague exercises their Subscription Options and SJKC exercises their options, Unerkov's associated entities would have the capacity to increase their shareholding interest to 56.54%.

5. Profile of OAK

5.1 History

OAK International Limited is an Australia-based Internet of things (IoT) and healthcare technology company. The Company is primarily engaged in the business of selling professional healthcare technology equipment and solutions to healthcare facilities. The Company’s segments include Technology development, Healthcare technology and Geothermal projects. Its Technology development segment is focused on IoT technology. Its Healthcare technology segment operates through its wholly owned subsidiary, JCT Healthcare Pty Ltd (JCT), which is a provider of technology solutions for the healthcare sector. JCT develops and distributes its own range of nurse call hardware and software solutions for use across multiple healthcare sectors, including hospitals, aged care, disability care and supported independent living. Its Geothermal projects segment includes Sokoria Geothermal Project, Ngebel Geothermal Project, Dairi Prima Geothermal Project and Puga Geothermal Project. The chart below shows the group structure of OAK:



Source: Management

5.2 JCT Healthcare

JCT was established with a vision to provide innovative and robust hardware and software solutions to the Australian healthcare industry. Shortly after its inception, JCT acquired the assets of a local nurse call manufacturer to enhance the company’s focus on providing nurse call solutions to Australian hospitals and aged care facilities.

After ten years of building a reputation as a pioneer in the nurse call industry, JCT made the decision to start a three-year research and development programme that would result in the release of a new line of world class nurse call and messaging-based systems. These new products provided clients with a greater range of options depending on their operational requirements and budgets.

To support its growth, JCT acquired a software development company in 2014 to further strengthen its software development capability and add integration features to its web-based messaging software. Integration capabilities have since become a core pillar of JCT.

JCT commenced its Assistive Technology business in 2013. Utilising its engineering and software resources JCT quickly established itself as a leader in developing custom assistive technology packages to the disability and independent living sectors.

5.3 Geothermal Projects

Geothermal projects OAK held interests in three geothermal projects in Indonesia

- Sokoria Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 30 MW geothermal development on Flores Island, Indonesia, with OAK holding a 45% interest in the project. On 16 January 2017 KS Orka completed acquisition of Sokoria Geothermal Project. Under the terms of the SPA OAK received the nominal amount of US\$1. An additional payment of up to USD947,368 will become payable within 30 days of KS Orka issuing notification of intent to develop project. This project has been fully impaired. In March 2022, OAK received a notification of intent to develop a portion of the project which resulted in a payment from KS Orka of USD157,939. In addition OAK received another notification of intent to further develop a proportion of the project which resulted in a payment from KS Orka of USD94,763.80. OAK may receive additional payments if KS Orka commits to further development.
- Ngebel Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 165 MW geothermal development on East Java, Indonesia, with OAK holding a 35% interest in the project. The Group will not seek to further invest in the Ngebel project and an impairment charge was recorded against the full carrying value of the asset at 30 June 2016, and has no further commitment to development of this project.
- Dairi Prima Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 25 MW geothermal development in Northern Sumatra, Indonesia, with OAK holding a 51% interest in the project. The Group will not seek to further invest in the Dairi Primal project and an impairment charge was recorded against the full carrying value of the asset at 30 June 2016, and has no further commitment to development of the project.

OAK held an interest in a geothermal project in India

- Puga Geothermal Project in the Himalayan Geothermal Province of Northern India, in a joint venture between OAK and Geosyndicate Power Private, under which OAK is earning in to a 49% interest. OAK is the operator of this Project. An impairment charge has been recorded against the full carrying value of the asset as at 30 June 2016 and the Group is looking to divest its interest in the project.

5.4 Historical Balance Sheet

\$'000	As at 30-Jun-22 Audited	As at 30-Jun-23 Audited	As at 31-Dec-23 Reviewed
Current assets			
Cash and cash equivalents	1,725	1,092	612
Other financial asset	100	48	62
Trade and other receivables	218	101	75
Prepayments	6	9	69
Inventories	84	441	357
Total current assets	2,133	1,691	1,175
Non-current assets			
Property, plant and equipment	23	41	42
Right-of-use asset	-	254	309
Total non-current assets	23	295	351
Total assets	2,156	1,986	1,526
Current liabilities			
Trade and other payables	347	232	109
Borrowings	277	33	33
Provisions	174	197	203
Lease liabilities	-	63	96
Unearned revenue	-	22	14
Total current liabilities	798	547	455
Non-current liabilities			
Provisions	12	16	18
Lease liabilities	-	193	220
Total non-current liabilities	12	209	238
Total liabilities	810	756	693
Net assets	1,346	1,230	833
Equity			
Contributed equity	28,799	28,799	28,830
Reserves	-	-	32
Accumulated losses	(27,453)	(27,569)	(28,029)
Total equity	1,346	1,230	833

Source: OAK's Interim Financial Report for the half-year ended 31 December 2023 and Annual Report for the year ended 30 June 2023

Commentary on the consolidated historical statement of financial position

We note the following in regards to OAK's consolidated historical statement of financial position:

- OAK first adopted AASB 16 Leases in the year ended 30 June 2023, recognising a right-of-use asset of \$253,530 and lease liabilities of \$256,227.
- during the half-year ended 31 December 2023 the Group's loss after income tax expense amounted to \$459,809 (2022: \$156,537) and cash outflows from operations for the half-year were \$426,297 (2022: \$154,469). Sustained losses have resulted in the reduction of cash reserves of the Group and have the potential to impact the ability of the Group to continue as a going concern.
- contingent liabilities at 31 December 2023 include legal liabilities in regard to a potential breach of the Share Purchase Agreement. At the date of this Report, the Group has not been able to quantify the potential liability. JCT Healthcare Pty Limited ("JCT"), a subsidiary of the Company, has an outstanding loan with Bio SA for \$310,805 which includes outstanding royalties for the period spanning from 1 July 2019 to 30 June 2023. OAK have brought to account a liability of \$32,548 at 31 December 2023. OAK advise it is unlikely the remaining loan in the amount of \$269,434 will need to be repaid.

5.5 Historical Statement of Comprehensive Income

\$'000	Year ended 30-Jun-22 Audited	Year ended 30-Jun-23 Audited	Half year ended 31-Dec-23 Reviewed
Revenue and Other Income			
Revenue from contracts with customers	497	1,098	344
Other income	214	163	184
Cost of Sales			
Cost of Sales: inventories and other cost of sales	(148)	(398)	(108)
Employee and contracting expenses	(561)	(576)	(335)
Finance costs	(29)	(28)	(5)
Directors' remuneration	(243)	(236)	(121)
Consulting and Advisory fees	(0)	(1)	(60)
Occupancy costs	(39)	(76)	(35)
Travel	(28)	(31)	(24)
Marketing and promotion costs	(21)	(10)	(5)
Professional and legal fees	(237)	(150)	(48)
Depreciation & amortisation expense	(27)	(34)	(44)
Recovery of bad debt expense	217	-	-
Reversal of impairment loss on inventory	100	100	-
Reversal of borrowings	-	269	-
Foreign currency (losses)/gains	12	(15)	0
Rehabilitation expense	(14)	-	-
Options expense	-	-	(32)
Insurance claim write offs	-	-	(73)
Other expenses	(218)	(191)	(97)
Loss before income tax expense	(525)	(118)	(459)
Income tax expense	-	-	-
Loss from discontinued operations, net of income tax	4	-	-
Total comprehensive loss for the period	(529)	(118)	(459)

Source: OAK's Interim Financial Report for the half-year ended 31 December 2023 and Annual Report for the year ended 30 June 2023

Commentary on the historical consolidated statement of profit or loss and other comprehensive income

We note the following in regards to OAK's historical consolidated statement of profit or loss and other comprehensive income:

- Revenue from contracts with customers increased significantly from \$496,858 for the year ended 30 June 2022 to \$1,097,732 for the year ended 30 June 2023 due to an increase in the sale of goods.
- Inventories and other cost of sales expense increase for the year ended 30 June 2023 to facilitate revenue growth.
- Reversal of borrowings brought to account in the year ended 30 June 2023 is in respect of the loan with Bio SA which OAK advise is unlikely to need to be repaid.

5.6 Capital Structure

The share structure of OAK as at 15 April 2024 is outlined below.

	Number
Total ordinary shares on issue	17,599,412
Top 20 shareholders	11,315,608
Top 20 shareholders - % of shares on	64.30%

Source: Management And BDO Analysis

The range of shares held in OAK as at 15 April 2024 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	210	61,687	0.35%
1,001 - 5,000	270	862,960	4.90%
5,001 - 10,000	117	854,278	4.85%
10,001 - 100,000	131	3,777,879	21.47%
100,001 - and over	26	12,042,608	68.43%
Total	754	17,599,412	100.00%

Source: Management And BDO Analysis

The ordinary shares held by the most significant shareholders as at 15 April 2024 are detailed below.

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Teko international Limited	3,125,000	17.76%
Montague Capital Pty Ltd	2,500,000	14.21%
Heursey Labs LLC	1,000,000	5.68%
Subtotal	6,625,000	37.64%
Others	10,974,412	62.36%
Total ordinary shares on Issue	17,599,412	100.00%

Source: Management And BDO Analysis

The most significant option holders of OAK as at 15 April 2024 are outlined below.

Options and performance shares	Number	Exercise Price (\$)	Expiry
JCT Employees	306,840	0.10	13/11/2026
SJKC	599,970	0.10	19/12/2026
Total	906,810		

Source: Management And BDO Analysis

6. Profile of Montague

6.1 Overview

Montague is controlled by Unerkov, a director of the Company, therefore Montague is a related party of the Company.

Montague became a substantial shareholder of OAK on 1 September 2023 after acquiring 2,500,00 ordinary shares, representing a holding of 14.21% of the Company at the date of this Report. The following table outlines Montague's shareholding as at the date of this Report.

Type of Security	Number of securities	Voting power
Ordinary Shares	2,500,000	14.21%

6.2 Related parties - SJKC

On 20 December 2023, the Company issued 599,970 unlisted options exercisable at \$0.10 expiring 19 December 2026 to SJKC which is an associated entity of Unerkov and a related party of Montague. As at the balance date and the date of this report, none of the 599,970 unlisted options have been exercised.

7. Economic Overview

7.1 Global Overview

Global inflation remains high but there has been encouraging progress towards central banks' targets. Much of the easing in inflation to date in advanced economies has been due to lower energy and goods price inflation. Services price inflation remains elevated, partly reflecting still tight labour markets. Economic growth has slowed to below trend in many advanced economies in response to restrictive monetary policy settings and is contributing to returning inflation to target. In the United States, economic growth has remained robust while inflation has continued to decline.

Monetary policy settings in advanced economies are restrictive, but broader measures of financial market conditions have eased over recent months. Amid better-than-expected global inflation data, market participants expect central banks to start easing their policy rates over coming quarters. Government bond yields have fallen and spreads on riskier asset classes have declined. Many central banks expect inflation to gradually return to target on a sustained basis over the next year or two. However, they have indicated that rate cuts may not come as soon as market participants expect as they await more evidence that the moderation in inflation will be sustained. Overall, the Australian dollar has been little changed.

7.2 Australia

Labour Market

Employment growth has gradually eased and average hours worked have declined in recent months. At the same time, the supply of labour has increased with strong population growth and record high labour force participation (although population growth also adds to aggregate demand). As a result, the unemployment rate and the underemployment rate have both increased by around ½ percentage point since mid-2023 but from very low levels.

Wages growth remains robust, although there are signs that it is slowing in some segments of the labour market. Firms expect wages growth to ease more broadly over the year ahead. Very weak productivity outcomes have contributed to a sharp increase in labour costs per unit of output over the past year

A broad range of labour market indicators have eased further over recent months, as growth in labour demand has responded to a slowing economy and labour supply has increased. Despite the easing from the very tight conditions of late 2022, the labour market is assessed as tight relative to what is consistent with full employment - that is the maximum level of employment consistent with low and stable inflation.

Commodity prices

There has been a modest increase in the RBA's Index of Commodity Prices (ICP), reflecting demand from China for iron ore and coking coal, and increases in LNG prices. The real Australian dollar TWI has remained in a relatively narrow range since the start of 2022 and is broadly consistent with model estimates implied by the forecast terms of trade and real yield differentials. In turn, this is supporting Australia's terms of trade, which are expected to have increased in the December 2023 quarter, with lower import prices also contributing.

Interest rates

Australian households and businesses have seen substantial pass-through from increases in the cash rate to borrowing and deposit rates. Overall pass-through to borrowing and deposit rates has been substantial by international comparison, consistent with the prevalence of variable-rate mortgages in Australia.

Nevertheless, both average outstanding mortgage interest rates and deposit rates have increased by less than the cash rate since May 2022. For mortgage rates, this is due to the high number of fixed-rate mortgages taken out at low rates during the pandemic as well as lenders competing for mortgage customers.

- Rates on outstanding housing loans have increased by around 105 basis points less than the 425 basis point increase in the cash rate over the hiking phase. Banks increased variable rates by a little less than 25 basis points in November following the cash rate increase. Competition for new and refinancing borrowers has eased since mid-2023, although banks have remained willing to offer discounts to retain existing customers. Pass-through to mortgage rates is expected to eventually reach similar proportions to previous hiking phases as the fixed-rate loans taken out at low rates during the pandemic expire.
- Rates on outstanding business loans have increased by around 35 basis points less than the cash rate over the hiking phase. Business rates have increased further since November, reflecting increases in three-month BBSW (ahead of the November cash rate increase) and the cash rate.
- The average rate paid on deposit accounts has increased by 105 basis points less than the cash rate over the hiking phase. The pass-through to deposit rates has been in line with the broad range of outcomes in previous hiking phases. Since May 2022, banks have increased rates on term deposits and conditional savings accounts by more than on other accounts. The Australian Competition and Consumer Commission's Retail Deposits Inquiry, concluded in December 2023, noted there had been limited pricing competition between banks, and that banks strategically set introductory and bonus interest rates on retail deposits to retain and attract customers.

Australian dollar

The Australian dollar has appreciated slightly, both on a trade-weighted (TWI) basis and against the US dollar, since the November *Statement*. The appreciation has mostly reflected market expectations for a more rapid pace of policy easing in the United States than in Australia, relative to what had previously been anticipated. Indeed, the US dollar TWI has depreciated by around 1 per cent since early November. Riskier assets, which tend to be positively correlated with the Australian dollar, have rallied as markets have priced in additional policy easing in the United States. Meanwhile, there has been a modest increase in the RBA's Index of Commodity Prices (ICP), reflecting demand from China for iron ore and coking coal, and increases in LNG prices.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision February 2024

8. Industry analysis

8.1 Overview

The digital health market worldwide is expected to reach a projected revenue of USD193.70 billion by 2024. It is also anticipated to exhibit an annual growth rate (CAGR 2024-2028) of 9.16%, resulting in a projected market volume of USD275.00 billion by 2028. Australia's digital health market was valued at \$2.5 billion in 2022 and is estimated to expand at a compound annual growth rate (CAGR) of 20.10% from 2022 to 2030 and will reach \$10.96 billion in 2030. One of the main reasons propelling the growth of this market is rising smartphone adoption, improved internet connectivity, and improved healthcare. The market is segmented by product, by end-user, and by component. Some key players in this market are Alcidion Corp., Doctors on Demand Pty Ltd, Ellume Limited, Genie Solutions Pty Ltd, and Harrison-Al Pty Ltd.

8.2 Australia's Digital Health Market

Australia's health system is one of the greatest in the world, providing all Australians with safe and inexpensive health care. It is jointly run by all levels of the Australian government - federal, state and territory, and local. With over 14.2% of the population employed in the health sector, it is the country's largest employment sector. It includes a large private insurance industry as well as Medicare, Australia's national healthcare program.

Australia has experienced substantial changes to the way telehealth and virtual care services are reimbursed in the first half of 2020, as well as a rise in the use of digital health technologies by patients and the medical profession. To implement Australia's Long-Term National Health Plan, the Australian Government is investing \$107.2 million towards the modernization of our healthcare system. The Government's sustained commitment to digital health includes \$72 million over four years to support Phase Three of the Program, which will start the transformation of health payments and services toward a more streamlined, digital model, building on the success of earlier program phases.

8.3 Market drivers

IT companies are using a range of implementation strategies to increase the adoption of eHealth solutions that increase productivity in healthcare institutions, such as telemedicine, laboratory management systems, and clinical decision support systems. Businesses that educate healthcare professionals and payers about the need for follow-up following clinical treatments are seeing success with implementation. Deep medical learning is being improved by businesses in the digital health sector to predict a person's risk for dementia and Parkinson's disease. Some companies are getting better at utilizing artificial medical intelligence to identify possible sickness trends in people. The key trends and opportunities in the digital health market as well as future trends are growing as a result of factors like rising smartphone adoption, improved internet connectivity, improved healthcare IT infrastructure, rising healthcare costs, rising prevalence of chronic diseases, rising demand for remote patient monitoring services, and increasing accessibility of virtual care.

8.4 Market restraints

Access

The ability to use and interact with digital health technology is strongly reliant on having internet connectivity, having safe, up-to-date devices, and having the necessary expertise and confidence to use and comprehend information.

Health consumers who lack technology experience, are at a disadvantage owing to socioeconomic considerations or have a disability, cognitive impairment, dementia, or mental health concerns may find it difficult to utilise digital health services due to the complexity of the quickly evolving technology.

Interoperability and Data Development

Australians now have improved access to, ability to send, and ability to record health information because of advancements in digital health technologies (Services Australia 2021). High-quality digital information will always be a crucial component of healthcare. A better information-sharing and usage environment could result from advancements in the standardization and transmission of health data, in particular. These advancements depend heavily on interoperability and data creation.

Technical interoperability, or the capacity of two or more systems to communicate (the ability for communication to be meaningful and accurate). Both depend on reliable and consistent underpinning technical specifications and data standards, and they are both essential to the efficient movement of information between patients, practitioners, providers, and services. The National Digital Health Strategy's strategic aims include interoperability - the external site opens in a new window (National Healthcare Interoperability Plan) and seeks to improve the delivery of healthcare by expanding the exchange and availability of health data and information.

Data Literacy and Data Citizenship

Data literacy (the capacity to interpret and understand health data), data citizenship for the health care user (engaging with and using own health data in a meaningful, informed, consented, and empowered manner), and data citizenship for the health care provider (understanding the ethics, governance, and legal requirements for health data management) are key concepts in the context of digital health. The ability to share, access, and engage with technology as part of one's personal journey toward health and well-being is empowered by increased data citizenship and literacy, which promotes active involvement in digital health applications.

Security and Privacy

Data security, privacy, and protection are more crucial than ever. Digital health systems must support safe data storage and sharing in order to satisfy regulatory obligations and foster public confidence in a climate where community awareness of data collecting, new data sources, methodologies, and technology has increased.

All private health care providers in Australia are subject to the Commonwealth Privacy Act of 1988-external site opens in a new window and the Australian Privacy Principles, which govern data containing personally identifiable information about a person.

8.5 Healthcare Policies and Regulatory Landscape

The National Digital Health Strategy is managed by the Australian Government portfolio organization, the Australian Digital Health Agency, on behalf of the industry. The organization's main goal is to provide a

national infrastructure that makes it possible for data and technology to be used safely by patients, consumers, carers, and healthcare professionals.

By giving you access to the most up-to-date tools and technology, greater control, and better access to your health information, digital health can enhance your well-being. The Australian Government has come out with 3 digital services:

- **Health Record:** A place where patients may keep important medical records that are safe, secure, and accessible at all times to them and their healthcare providers, even in an emergency;
- **Electronic Prescription:** An electronic prescription is just a paper prescription in digital form. Doctors may email or SMS patients electronic prescriptions throughout the course of their appointment; and
- **TeleHealth:** Telehealth refers to communicating with a healthcare professional by phone or video call. When a physical examination is not required, many doctors, specialists, and other healthcare practitioners now offer telehealth consultations. When you can't see a doctor in person, it's meant to be a handy alternative rather than a replacement for necessary doctor appointments.

Source: <https://www.statista.com/outlook/hmo/digital-health/worldwide> and <https://www.insights10.com/report/australia-digital-health-market-analysis/>

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of OAK shares we have chosen to employ the following methodologies:

9.1 Valuation of an OAK share prior to the Proposed Transaction

In our assessment of the value of an OAK share prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary valuation methodology as this represents the value that a Shareholder can receive for a share if sold on the market.

We have chosen these methodologies for the following reasons:

- OAK do not have any historical profits nor are there any forecast profits that could be used to represent future earnings, as such we do not consider that we have reasonable grounds to use an income based valuation methodology such as FME.
- OAK currently has no foreseeable future net cash inflows, so the application of the DCF valuation approach is not appropriate.
- Consequently, we have adopted NAV as our primary valuation method.
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because OAK's shares are listed on the ASX. This means there is a regulated and observable market where OAK's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

9.2 Valuation of an OAK share following the Proposed Transaction

In our assessment of the value of OAK's share following the Proposed Transaction, we have chosen to employ NAV as our primary methodology, having consideration for:

- The effect of the new shares issued as part of the Proposed Transaction; and
- The effect of cash inflow resulting from the issue of new shares.

10. Valuation of OAK prior to the Proposed Transaction

10.1 Net Asset Valuation of OAK

The value of OAKs net assets on a going concern basis is reflected in our valuation below.

\$'000	Note	As at 31-Dec-23 Reviewed	Subsequent Events	Proforma pre transaction
Current assets				
Cash and cash equivalents	1	612	62	674
Other financial assets	2	62	2	64
Trade and other receivables		75		75
Prepayments		69		69
Inventories	3	357	(20)	337
Total current assets		1,175	44	1,219
Non-current assets				
Property, plant and equipment		42		42
Right-of-use asset		309		309
Total non-current assets		351	-	351
Total assets		1,526	44	1,570
Current liabilities				
Trade and other payables		109		109
Borrowings		33		33
Provisions		203		203
Lease liabilities		96		96
Unearned revenue		14		14
Total current liabilities		455	-	455
Non-current liabilities				
Provisions		18		18
Lease liabilities		220		220
Total non-current liabilities		238	-	238
Total liabilities		693	-	693
Net assets		833	44	877
Shares on issue		17,599,412		17,599,412
Value per share controlling interest basis (\$)				0.0498

Source: OAK's Interim Financial Report for the half-year ended 31 December 2023, BDO analysis

The table above indicates the NAV of a share of OAK prior to the Proposed Transaction is \$0.0498.

The following adjustments were made to the net assets of OAK as at 31 December 2023 in arriving at our valuation.

Note 1) Cash and cash equivalents

We have adjusted the cash position to reflect the actual cash position at 22 April 2024. Cash includes a USD bank account converted to AUD at foreign exchange conversion rate of \$0.65.

Note 2) Other Financial Assets

We have adjusted the term deposit balance to reflect the actual position at 22 April 2024.

Note 3) Inventories

We have adjusted the inventories balance to reflect trading to 29 February 2024.

Diluted basis

We have also considered the valuation on a diluted basis by assessing the likelihood of the exercise of options.

All options currently on issue have an exercise price of \$0.010 and an expiry date of 13 November 2026 and 19 December 2026.

Based on our valuation assessment on an undiluted basis, all Options will be 'out of the money'. Therefore, we have assumed that none of these options are exercised.

10.2 Quoted Market Prices for OAK's shares prior to the Proposed Transaction

To provide a comparison to the valuation of OAK in Section 10.1, we have also assessed the quoted market price for an OAK share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst Montague will not be obtaining 100% of OAK, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

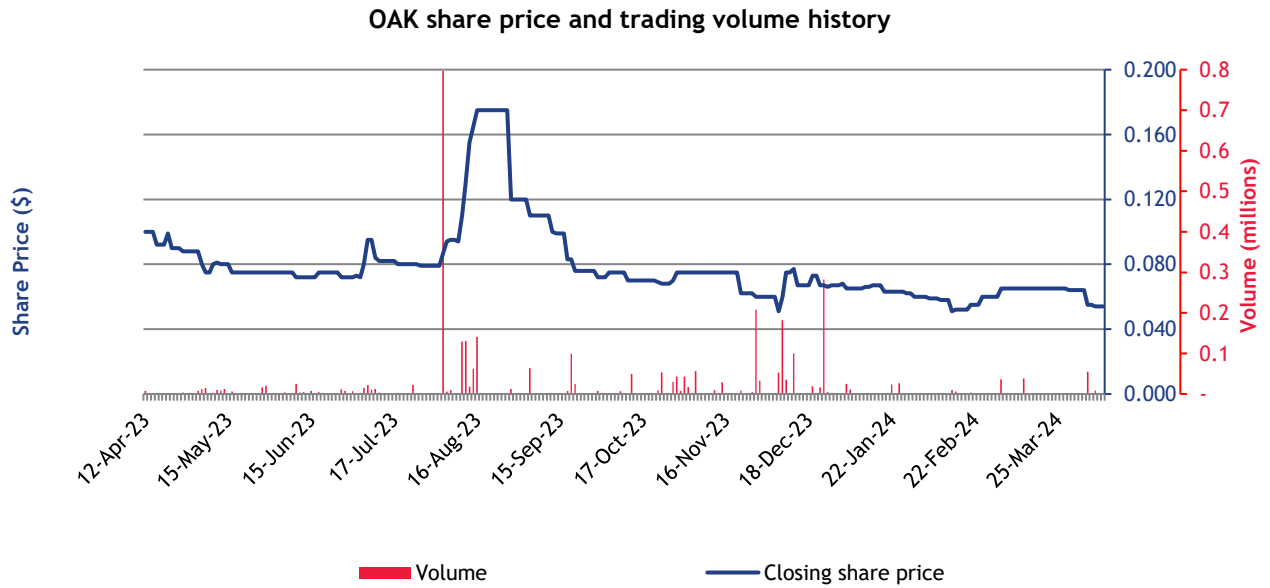
Therefore, our calculation of the quoted market price of an OAK share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an OAK share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of an OAK share after the announcement may include the effects of any change in value as a result of the Proposed Transaction. However, we have

considered the value of an OAK share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Transaction was announced to the market on 15 April 2024. Therefore, the following chart provides a summary of the share price movement over the 12 months to 12 April 2024 which was the last trading day prior to the announcement.



Source: ASX, BDO analysis

The daily closing price of OAK shares from 12 April 2023 to 12 April 2024 ranged from a low of \$0.051 on 6 December 2023 to a high of \$0.175 on 16 August 2023. The largest single day of trading over the assessed period was 3 August 2023, with approximately 797,396 shares traded on that day.

During this period, a number of announcements were made to the market. The key announcements are set out below.

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
6/03/2024	Research & Development Tax Incentive Refund	0.065	▶ 0.0%	0.065	▶ 0.0%
28/02/2024	Half Year Accounts	0.060	▶ 0.0%	0.065	▲ 8.3%
31/01/2024	Quarterly Activities/Appendix 4C Cash Flow Report	0.060	▶ 0.0%	0.060	▶ 0.0%
20/12/2023	Change of Director's Interest Notice	0.073	▶ 0.0%	0.066	▼ 9.6%
20/12/2023	Notification regarding unquoted securities - OAK	0.073	▶ 0.0%	0.066	▼ 9.6%
20/12/2023	Cancel - Notification regarding unquoted securities	0.073	▶ 0.0%	0.066	▼ 9.6%
20/12/2023	Notification regarding unquoted securities - OAK	0.073	▶ 0.0%	0.066	▼ 9.6%
30/11/2023	Results of Meeting	0.060	▶ 0.0%	0.060	▶ 0.0%
14/11/2023	Appendix 3G	0.075	▶ 0.0%	0.075	▶ 0.0%
14/11/2023	Cleansing Notice	0.075	▶ 0.0%	0.075	▶ 0.0%
14/11/2023	Application for quotation of securities - OAK	0.075	▶ 0.0%	0.075	▶ 0.0%
31/10/2023	Quarterly Activities/Appendix 4C Cash Flow Report	0.075	▶ 0.0%	0.075	▶ 0.0%
30/10/2023	OAK Notice of Meeting and Proxy	0.075	▲ 7.1%	0.075	▶ 0.0%
4/09/2023	Change of Director's Interest Notice	0.120	▶ 0.0%	0.110	▼ 8.3%
4/09/2023	Ceasing to be a substantial holder	0.120	▶ 0.0%	0.110	▼ 8.3%
4/09/2023	Becoming a substantial holder	0.120	▶ 0.0%	0.110	▼ 8.3%
21/08/2023	Appendix 4G and Corporate Governance Statement	0.175	▶ 0.0%	0.175	▶ 0.0%
21/08/2023	Appendix 4E and Annual Financial Report 2023	0.175	▶ 0.0%	0.175	▶ 0.0%
16/08/2023	Response to ASX Price Query	0.175	▲ 6.1%	0.175	▶ 0.0%
28/07/2023	Quarterly Activities/Appendix 4C Cash Flow Report	0.079	▶ 0.0%	0.079	▶ 0.0%
2/06/2023	Change of Share Register Notification	0.075	▶ 0.0%	0.075	▶ 0.0%
28/04/2023	Quarterly Activities/Appendix 4C Cash Flow Report	0.088	▶ 0.0%	0.088	▶ 0.0%

Source: ASX, BDO analysis

On 6 March 2024, OAK announced that it has received an amount of \$178,383.80 Research and Development (R&D) Tax Incentive Refund. However, the announcement had no impact on the share price, which remained unchanged on the date of the announcement and over the subsequent three-day period.

On 4 September 2023, OAK announced changes in directorship and the emergence of a new substantial holder. On the date of the announcement the share price remained unaffected, to close at \$0.120, before decreasing by 8.3% over the subsequent three-day trading period to close at \$0.110.

To provide further analysis of the market prices for an OAK share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 12 April 2024.

Share price per unit	12-Apr-24	10 days	30 days	60 days	90 days
Closing price	\$0.054				
Volume weighted average price (VWAP)		\$0.058	\$0.063	\$0.062	\$0.065

Source: ASX, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in price of OAK shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in OAK shares for the twelve months to 12 April 2024 is set out below.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 day	\$0.054	\$0.054	0	0.00%
10 days	\$0.054	\$0.064	63,412	0.36%
30 days	\$0.054	\$0.070	137,997	0.78%
60 days	\$0.051	\$0.070	213,257	1.21%
90 days	\$0.050	\$0.077	944,816	5.37%
180 days	\$0.050	\$0.175	3,063,882	17.41%
1 year	\$0.050	\$0.175	3,354,297	19.06%

Source: ASX, BDO analysis

This table indicates that OAK's shares display a low level of liquidity, with 19.06% of the Company's current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of OAK, we consider the share to display a low level of liquidity, on the basis that less than 1% of the securities have been traded weekly on average. Approximately 5.37% of the Company's current issued capital was traded over the 90 trading days prior to the announcement of the Proposed Transaction, and approximately 19.06% of the Company's current issued capital was traded in the last year prior to the announcement of the Proposed Transaction. Furthermore, there were several trading days over the assessed period where no trading occurred in OAK shares.

Notwithstanding the low levels of liquidity, our assessment is that a range of values for OAK shares based on market pricing, after disregarding post announcement pricing, is between \$0.054 and \$0.065, with a midpoint of \$0.0595.

Control Premium

We have reviewed the control premiums paid by acquirers of companies listed on the ASX. We have summarised our findings below.

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2023	23	383.83	29.15
2022	39	3,199.03	23.39
2021	28	1,095.24	35.17
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	34	513.60	37.21
2013	36	138.78	33.37
Mean		1,507.28	33.14
Median		131.64	28.68

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquiree held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of all ASX-listed companies is approximately 33.14%. However, in assessing the transactions included in the table above, we noted that control premium appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 28.68% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 25% and 35% with a midpoint of 30%.

Quoted market price including control premium

Applying a control premium to OAK's quoted market share price results in the following quoted market price value including a premium for control:

	Low	Midpoint	High
	\$	\$	\$
Quoted market price value	0.0540	0.0595	0.0650
Control premium	25%	30%	35%
Quoted market price valuation including a premium for control	0.0675	0.0774	0.0878

Source: BDO analysis

Therefore, our valuation of an OAK share based on the quoted market price method and including a premium for control is between \$0.0675 and \$0.0878, with a midpoint value of \$0.0774.

10.3 Assessment of OAK Value prior to the Proposed Transaction

The results of the valuations performed are summarised in the table below.

Valuation summary	\$
Net assets value (Section 10.1)	0.0498
QMP method (Section 10.2)	0.0774

Source: BDO analysis

Based on the results above we consider the value of a OAK share to be \$0.0498. We consider the NAV method to be the most appropriate approach to value OAK as OAK shares display a low level of liquidity, therefore we do not consider it appropriate to rely on QMP as a primary valuation approach.

We note the value of an OAK share derived from the QMP approach is higher than our NAV of an OAK share for the following reasons:

- The nature of the Proposed Transaction is such that the same assets are involved pre and post the Proposed Transaction. Consequently, it is advantageous to consider the pre and post values on a consistent basis and this is more readily achieved with a NAV value because the QMP value on a post Proposed Transaction basis still contains an element of doubt about whether the Proposed Transaction will be approved.
- As detailed in Section 10.2, the shares in OAK display a low level of liquidity, with only 19.06% of OAK's issued capital being traded in the twelve months prior to the announcement of the Proposed Transaction. Companies with tightly held shares are often seen to have less price fluctuations and movements when substantial investors choose not to trade their shares on the market. As a result, the price effect from the release of publicly available information is often subdued and not reflective of the market value of the company.

11. Valuation of OAK following the Proposed Transaction

11.1 Adjustments arising from the Proposed Transaction

The post-transaction adjusted NAV is set out below along with our reason for any adjustments.

\$'000	Note	Proforma pre transaction 31-Dec-23	Issue of Subscription Shares	Proforma post transaction position
Current assets				
Cash and cash equivalents	1	674	500	1,174
Other financial assets		64		64
Trade and other receivables		75		75
Prepayments		69		69
Inventories		337		337
Total current assets		1,219	500	1,719
Non-current assets				
Property, plant and equipment		42		42
Right-of-use asset		309		309
Total non-current assets		351	-	351
Total assets		1,570	500	2,070
Current liabilities				
Trade and other payables		109		109
Borrowings		33		33
Provisions		203		203
Lease liabilities		96		96
Unearned revenue		14		14
Total current liabilities		455	-	455
Non-current liabilities				
Provisions		18		18
Lease liabilities		220		220
Total non-current liabilities		238	-	238
Total liabilities		693	-	693
Net assets		877	500	1,377
Equity				
Contributed equity	2	28,830	500	29,330
Reserves		32		32
Accumulated losses		(27,985)		(27,985)
Total equity		877	500	1,377

Source: OAK's Interim Financial Report for the half-year ended 31 December 2023



Note 1) Adjustment to cash and cash equivalents

Cash and cash equivalents has been adjusted for the \$500,000 cash raised against the shares to be issued to Montague.

Note 2) Adjustment to issued capital

Issued capital has been adjusted for the \$500,000 cash raised against the 9,398,496 shares to be issued to Montague.

11.2 Net Asset Valuation of OAK

As discussed in Section 9, we have relied on the NAV methodology in determining the value of a share in OAK following approval of the Proposed Transaction. Our valuation of OAK following the Proposed Transaction is summarised below.

\$'000	Proforma post transaction position
Current assets	
Cash and cash equivalents	1,174
Other financial assets	64
Trade and other receivables	75
Prepayments	69
Inventories	337
Total current assets	1,719
Non-current assets	
Property, plant and equipment	42
Right-of-use asset	309
Total non-current assets	351
Total assets	2,070
Current liabilities	
Trade and other payables	109
Borrowings	33
Provisions	203
Lease liabilities	96
Unearned revenue	14
Total current liabilities	455
Non-current liabilities	
Provisions	18
Lease liabilities	220
Total non-current liabilities	238
Total liabilities	693
Net assets	1,377
Shares on issue	26,997,908
Value per share controlling interest basis (\$)	0.0510
Minority discount %	23.1%
Value per share minority interest basis (\$)	0.0392

Source: BDO Analysis

The table above indicates the NAV of a share in OAK following the Proposed Transaction and on a minority basis is \$0.0392.

Number of shares

In determining a valuation per share for OAK following the Proposed Transaction, we adjusted the number of shares on issue to reflect the issue of new shares to Montague. The number of shares that will be on issue following the Proposed Transaction will be 26,997,908. The table below shows the breakdown of the number of shares on issue post the Proposed Transaction.

	Number
Issued shares as the date of our Report	17,599,412
New shares to be issued following the Transaction	9,398,496
Issued shares post Proposed Transaction	26,997,908

Minority discount

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a share of OAK prior to the Proposed Transaction on a control basis to the value of a share of OAK following the Proposed Transaction on a minority interest basis.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. As discussed in Section 10.2, we consider an appropriate control premium for OAK to be 30%, giving a minority interest discount of 23.1%.

Options

We have also considered the valuation on a diluted basis by assessing a likelihood the exercise of existing options.

We have not diluted the valuation for the exercise of options.

All options currently on issue have an exercise price of \$0.10 and an expiry date of 13 November 2026 or 19 December 2026. Based on our valuation assessment on an undiluted basis, all options will be 'out of the money' and therefore none of these options will be exercised.

12. Is the Proposed Transaction fair?

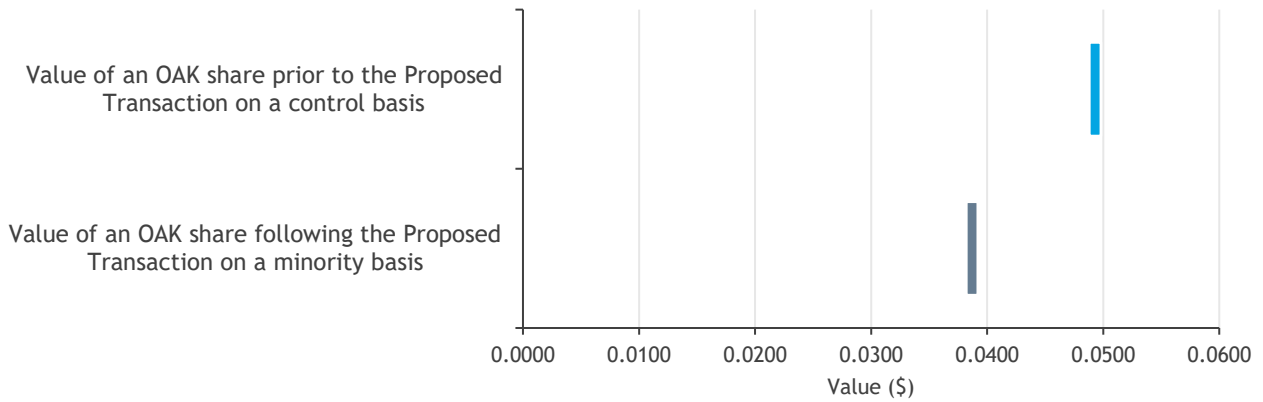
The value of an OAK share prior to the Proposed Transaction on a control basis to the value of an OAK Share following the Proposed Transaction on a minority basis is compared below.

	Ref	Value \$
Value of an OAK share prior to the Proposed Transaction on a control basis	10.3	0.0498
Value of an OAK share following the Proposed Transaction on a minority basis	11	0.0392

We note from the table above that the value prior to the Proposed Transaction on a control basis is greater than the value following the Proposed Transaction on a minority basis. Therefore, we consider that the Proposed Transaction is not fair.

The above valuation ranges are graphically presented below.

Valuation Summary



13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of OAK a premium over the value resulting from the Proposed Transaction.

13.2 Practical Level of Control

If the Proposed Transaction is approved then Montague will hold an interest of approximately 44.07% in OAK. In addition, Unerkov, a related party of Montague, is a director of OAK.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved then Montague will be able to block special resolutions.

Should Montague and associated entities exercise their options their shareholding will increase to 56.54% and Montague and associated entities will be able to block general resolutions and special resolutions, and pass general resolutions.

OAK's Board currently comprises three directors. This means that related parties of Montague will make up 33.33% of the Board.

Montague's control of OAK following the Proposed Transaction will be significant when compared to all other shareholders. In our opinion, while Montague will be able to significantly influence the activities of OAK, it will not be able to exercise a similar level of control as if it held 100% of OAK.

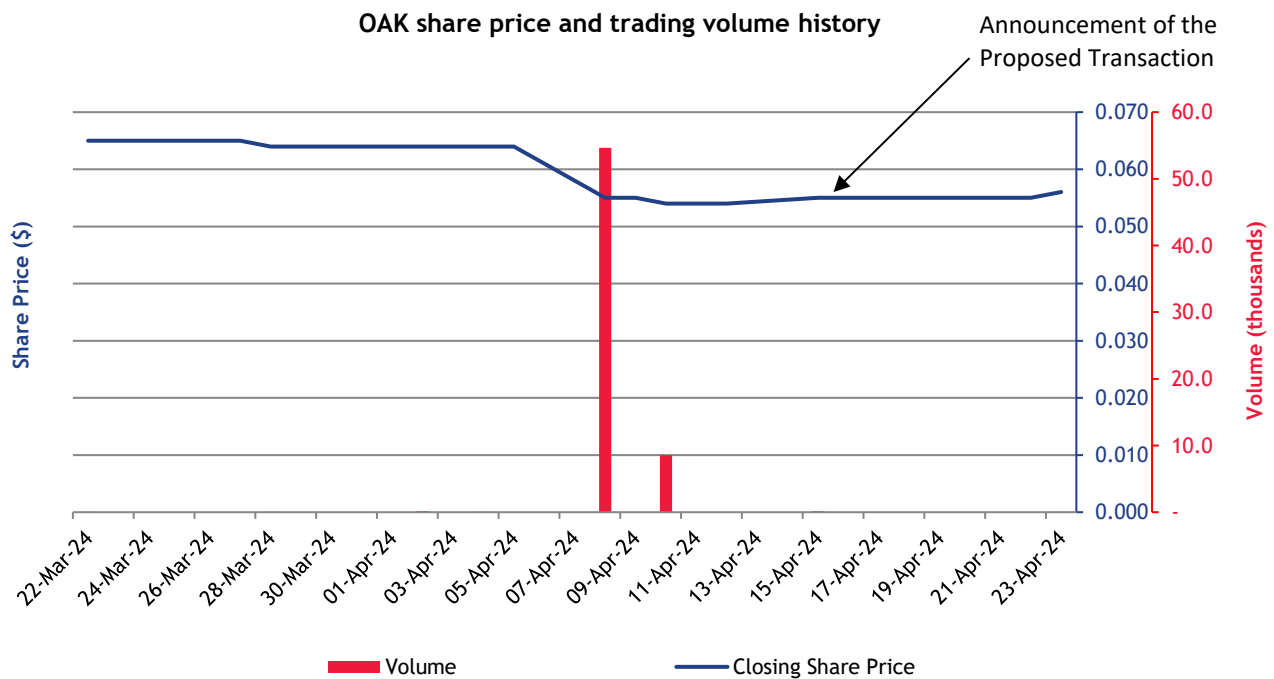
13.3 Consequences of not approving the Proposed Transaction

Consequences

If the Proposed Transaction is not approved, OAK will not have the funds raised from the Subscription Shares to support working capital requirements.

Potential decline in share price

We have analysed movements in OAK’s share price since the Proposed Transaction was announced on 15 April 2024. A graph of the Company’s share price and trade volume leading up to and following the announcement of the Proposed Transaction is set out below:



Source: ASX, BDO analysis

The daily closing price of OAK’s shares from the period 22 March 2024 to 23 April 2024 ranged from a low of \$0.054 to a high of \$0.065. On the day of the announcement, the share price closed slightly higher from the previous trading day i.e. 14 April 2024, at \$0.055. A total of 140 shares were traded on the day of the announcement, which represents approximately 0.0008% of the Company’s total issued capital. On 16 April 2024, the first full day of trading following the announcement the share price closed at the same price as the date of the announcement, at \$0.055 with no shares traded. The table below details the VWAP of OAK shares for the 10-day period prior to the announcement of the Proposed Transaction and the 5-day period subsequent to the announcement of the Proposed Transaction on 15 April 2024.

Share Price per unit	15-Apr-24	10 days pre announcement	5 days post announcement
Closing price	\$0.055		
Volume weighted average price (VWAP)		\$0.058	\$0.055

Source: ASX

Following the announcement of the Proposed Transaction, OAK’s share price has decreased from a VWAP of \$0.058 over the ten days prior to the announcement to \$0.055 over the five days subsequent to the announcement. Due to the minimal movement no conclusion can be drawn to the market perception of OAK both pre and post Proposed Transaction announcement.

Given the Company’s requirement for funds for general working capital, if the Proposed Transaction is not approved then OAK’s share price may decline.

13.4 Liquidity requirements of the Company

As at 22 April 2024, the Company had approximately \$670,000 in cash and cash equivalents. As shown in the table below, the average monthly operating and investing cash required by the Company is approximately \$33,000. The cash balance as at 22 April 2024 is enough to support the Company for approximately 20 months if the cash spend continues at this rate. However, any unplanned expenses may significantly reduce the cash balance of the Company and negatively impact its ability to fund working capital requirements and the Company’s ability to meet its short term milestones. The injection of \$500,000 as a result of the Proposed Transaction is expected to support the liquidity requirements of the Company.

OAK	\$'000
Operating and investing cash flows for year ended 30 June 2023	(391)
Average monthly operating and investing cash flows	(33)

Source: OAK’s Annual Report for the year ended 30 June 2023

In addition, the raise of funds can provide capacity in relation to contingent legal liabilities with regard to a potential breach of the Share Purchase Agreement. At the date of this Report, the Group has not received a claim and has not been able to quantify the potential liability.

13.5 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
Increased cash for general working capital	The Company will receive \$500,000 (before costs) upon the issue of the Subscription Shares. This will provide the Company with funds for general working capital purpose.
Future growth in healthcare sector	The cash received will allow the Company to pursue and investigate opportunities for growth in the healthcare sector.

13.6 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below.

Disadvantage	Description
Dilution of existing shareholders' interest	The Proposed Transaction will have a dilutionary effect on holdings of other Shareholders. This will affect the ability of Shareholders to influence decisions of the Company in the future. See the table in Section 5.6 for details of the maximum potential impact the Proposed Transaction may have on the Company's capital structure and details of the impact on Unerkov's voting power in the Company.
Substantial changes to voting power	Upon completion of the Subscription Agreement, the Company will issue 9,398,496 Subscription Shares. As a result, Unerkov's voting power in the Company will increase up to 44.07% (excluding any Shares on the exercise of Options), with the potential for its voting power to increase to up to 56.54% following the exercise of all of New Options and existing related party Options. As a result, Unerkov will have significant influence over all matters that require approval by Shareholders, including the election of directors and approval of significant corporate transactions. It may also discourage a potential bidder from proposing a merger by scheme of arrangement or making a takeover bid for the Company.
No guarantee of future share value	There is no guarantee that the Company's Shares will not fall in value as a result of the Proposed Transaction.
Restriction on resolutions	Montague will hold 44.07% shareholding of the Company (on an undiluted basis), this will restrict the remaining shareholders' ability to take decisions requiring Special Resolutions without the approval of Montague Shareholders and may be a deterrent to potential future takeover bids.
No restriction on future sale of shares	Unerkov is not significantly restricted from dealing the Shares following the Proposed Transaction hence a substantial number of Shares may be sold on the open market.

14. Best interests of the Shareholders

The directors of OAK have requested we express an opinion as to whether or not the Proposed Transaction is in the best interests of Shareholders, in satisfaction of one of the conditions precedent in the Subscription Agreement.

There is no statutory requirement for the directors of OAK to request BDO express an opinion as to whether or not the Proposed Transaction is in the best interests of Shareholders. However, as a matter of good governance, Shareholder approval is being sought and the directors of OAK have requested that BDO prepare an IER stating whether, in BDO's opinion, the Proposed Transaction is in the best interests of Shareholders and the reasons for that opinion.

Approach

Although there is no statutory requirement for BDO to express an opinion as to whether or not the Proposed Transaction is in the best interests of Shareholders, we consider it appropriate to apply the principles in RG 111.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

15. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is not fair but reasonable to the non-associated shareholders of OAK.

We note from above that the Proposed Transaction is not fair but reasonable. Therefore, in satisfaction of one of the conditions precedent in the Subscription Agreement, the Proposed Transaction is in the best interests of Shareholders.

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is in the best interest of the non-associated shareholders of OAK.

16. Sources of information

This Report has been based on the following information:

- Draft Notice of Extraordinary General Meeting and Explanatory Statement on or about the date of this Report;
- Audited financial statements of OAK for the years ended 30 June 2022 and 30 June 2023;
- Reviewed financial statements of OAK for the half year ended 31 December 2023;
- Management information;
- Subscription Agreement;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of OAK.

17. Independence

BDO Corporate Finance (SA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (SA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this Report.

BDO Corporate Finance (SA) Pty Ltd has been indemnified by OAK in respect of any claim arising from BDO Corporate Finance (SA) Pty Ltd's reliance on information provided by the OAK, including the non provision of material information, in relation to the preparation of this Report.

Prior to accepting this engagement BDO Corporate Finance (SA) Pty Ltd has considered its independence with respect to OAK and Montague and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (SA) Pty Ltd's opinion it is independent OAK and Montague and their respective associates.

A draft of this Report was provided to OAK and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review.

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BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (SA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (SA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

The person specifically involved in preparing and reviewing this Report is David Fechner of BDO Corporate Finance (SA) Pty Ltd. David has significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and was supported by other BDO staff.

David Fechner is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Tax Institute of Australia. He has over thirty five years' experience working in professional accounting services being employed in many areas of accounting including tax, business services, corporate advisory, and forensic accounting services. David Fechner specialises in Business and Corporate Advisory services undertaking valuations of businesses for purposes of compliance (CGT, stamp duty, probate, finance, etc.), mergers & acquisitions (business acquisitions, sales, mergers, partnership admissions/retirements, etc.) and expert reports (litigation support, IPO's, etc.). He has prepared over his tenure in excess of 150 valuation and expert reports. David Fechner is a member of ASIC's Professional Liaison Group and subscribes to the Forensic Accounting and Business Valuation Specialist Interest Group of Chartered Accountants Australia and New Zealand.

19. Disclaimers and consents

This Report has been prepared at the request of OAK for inclusion in the Notice of Meeting which will be sent to all OAK Shareholders. OAK engaged BDO Corporate Finance (SA) Pty Ltd to prepare an independent expert's report to consider the Proposed Transaction.

BDO Corporate Finance (SA) Pty Ltd hereby consents to this Report accompanying the above Explanatory Memorandum and Notice of Meeting. Apart from such use, neither the whole nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (SA) Pty Ltd.

BDO Corporate Finance (SA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum and Notice of Meeting other than this Report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (SA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Montague. BDO Corporate Finance (SA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (SA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this Report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances.

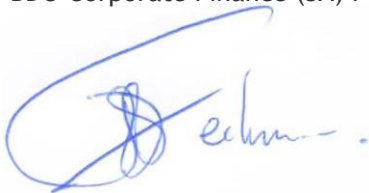
Furthermore, the advice provided in this Report does not constitute legal or taxation advice to the Shareholders of OAK, or any other party.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (SA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this Report arising between the date of this Report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO Corporate Finance (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'D. Fechner'. The signature is written in a cursive style with a large, sweeping initial 'D'.

David Fechner
Director

APPENDIX 1 - GLOSSARY OF TERMS

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollar
BDO	BDO Corporate Finance (SA) Pty Ltd
The Company	Oakridge International Limited
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
Montague	Montague Capital Pty Ltd
NAV	Net Asset Value
OAK	Oakridge International Limited
Post Announcement Trading Period	15 April 2023 to 23 April 2024
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)

Reference	Definition
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of OAK not associated with Montague
SJKC	SJKC Nominees Pty Ltd
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
The Proposed Transaction	The proposal to issue 9,398,496 shares in OAK to Montague
USD	United States dollar
Valuation Engagement	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.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

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For permission requests, write to BDO Corporate Finance (SA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (SA) Pty Ltd

Level 7

420 King William Street

Adelaide, SA 5000

Australia

APPENDIX 2 - VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Oakridge International Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:30am on Thursday, 20 June 2024 at BDO Adelaide. Level 7, 420 King William Street, Adelaide, South Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

For Against Abstain*

1 Issue of shares and options to Montague Capital Pty Ltd

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

OAK PRX2401A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Tuesday, 18 June 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Oakridge International Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**