

24 August 2021

Dear Shareholder

ANNUAL GENERAL MEETING

An Annual General Meeting of shareholders of Dealt Limited (**Dealt**) will be held as a **virtual** meeting at 1.00pm AEST (Sydney time) on Thursday, 23 September 2021 (**AGM or the Meeting**).

In accordance with section 5(1) of the Corporations (Coronavirus Economic Response) Determination No. 1 2020 (Cth), the Notice of Meeting and Proxy Form are being made available to shareholders electronically and a hard copy will not be sent to Shareholders. You will be able to access the Notice of Meeting and Proxy Form via ASX market announcements platform using code DET or the Company's website using the following link below.

<https://velocitypropertygroup.com.au/investor-centre/>

Shareholders can participate in the Meeting via the Lumi platform through the following mean:

- By computer or mobile phone through the following URL:
<https://web.lumiagm.com/306103207>

Participating in the Meeting virtually will enable shareholders to view the Meeting live, ask written questions and cast votes in the real time poll during the Meeting.

Shareholders will be able to log in to the online platform from 12.30pm AEST (Sydney time) on the day of the Meeting.

You will need the following information to access the Meeting by one of the above means:

- The meeting ID, which is **306103207**.
- Your username, which is your Voting Access Code (VAC) contained on the front of your Voting Form or in your notice of meeting email.
- Your password, which is your Australian postcode (overseas Shareholders should refer to the Online Voting User Guide).

Participating in the Meeting virtually will enable shareholders to view the Meeting live, ask (written) questions and cast votes in the real time poll during the Meeting.

Further information on how to vote and participate in the virtual Meeting is contained in the Online Voting User Guide attached. Alternatively, if you have been nominated as a third-party proxy, or for any enquiries relating to virtual participation in the Meeting or accessing the Lumi platform, please contact the Company's Share Registry, Boardroom Pty Ltd, on 1300 737 760 or +61 02 9290 9600.

Thank you for your ongoing support.

Yours sincerely

Tony Pitt
Chairman
Dealt Limited

DEALT LIMITED

ABN 66 605 935 153

**Notice of an Annual General Meeting
and Explanatory Memorandum**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOUR OF
ALL OF THE PROPOSAL RESOLUTIONS AND SUPPORT THE PROPOSAL**

An Annual General Meeting of Dealt Limited will be held:

Date: Thursday, 23 September 2021

Time: 1:00 pm AEST

Online: <https://web.lumiagm.com/306103207>

**The Annual General Meeting will be held online.
Please see the Notice of Meeting for further details.**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. SEE IN PARTICULAR THE INDEPENDENT EXPERT'S REPORT AT ANNEXURE B THAT CONSIDERS CERTAIN ASPECTS OF THE PROPOSAL.

If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

Important Notices

Purpose of this Booklet

This Booklet is dated 24 August 2021 and comprises:

- a Notice of Annual General Meeting for an annual general meeting of Shareholders (**AGM**) of Dealt Limited (the **Company**) to be held on Thursday, 23 September 2021. The Notice of Annual General Meeting is set out in Annexure A of this Booklet; and
- an Explanatory Memorandum in relation to the Proposal to be considered at the AGM.

This Booklet provides information to the holders of Shares in the Company in relation to the ordinary business of the Company's Annual General Meeting and also information to assist them to decide whether to support the Proposal details of which are set out further in this Booklet.

Issuer

Dealt Limited is the issuer of this Booklet.

ASIC and ASX

A copy of this Booklet will be lodged with ASIC and the ASX. Neither ASIC nor the ASX nor any of their officers takes any responsibility for the content of this Booklet.

Not investment advice

The information in this Booklet is not financial product or investment advice. This Booklet has been prepared without reference to your individual investment objectives, financial situation or needs. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information in this Booklet having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Forward-looking statements

This Booklet contains certain forward-looking statements which are not based solely on historical facts but are rather based on the Company's current expectations about future events and results.

These forward-looking statements are subject to inherent risks, uncertainties and assumptions, and may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of the Company and which could cause actual events or results to differ materially from the expectations, events, results, values, performance or achievements expressed or implied in any forward-looking statement. Deviations are both normal and to be expected in such forward-looking statements.

The past performance of the Company is no guarantee of future performance of the Company.

Except to the extent required by law, none of the Company, the Directors, any subsidiary of the Company or their respective officers or employees, any person named in this Booklet with their consent or any person involved in the preparation of this Booklet, makes any representation, warranty, assurance or guarantee (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events, results, values, performance or achievements expressed or implied in any forward-looking statement. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements. The forward-looking statements in this Booklet reflect views held only as at the date of this Booklet.

No guarantee of capital or investment returns

The Shares are subject to investment risk including loss of income or principal invested. No person (including the Company or any of their associates), gives any guarantee or assurance as to the performance of the Shares, any return on the Shares or the repayment of capital invested.

Up to date information

The Company will issue or procure the issue of a supplementary document to this Booklet if the Company becomes aware of any of the following between the date of this Booklet and the date of the Meeting:

- a material statement in the Booklet is misleading or deceptive;
- a material omission from the Booklet;
- there has been a significant change affecting a matter included in this Booklet; or
- a significant new circumstance has arisen which would have been required to be included in the Booklet if it had been known at the date of this Booklet.

However, if the change will not be materially adverse, a supplementary document may not be issued. Updated information that is not materially adverse may change from time to time and will be made available to you on the Company website at <https://velocitypropertygroup.com.au/> and/or the ASX announcements platform. A paper copy of any updated information is available free on request. You can also call the Share Registry – Boardroom Pty Limited on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia) between 8.30 am and 5.00 pm AEST on Business Days.

Warning for overseas investors

The Proposal and the contents of this Booklet are governed by Australian law.

There may be substantial differences in how securities are regulated under Australian law and the laws of other jurisdictions.

The rights, remedies and compensation arrangements available to overseas investors in Australian securities may differ from the rights, remedies, and compensation arrangements for overseas securities.

Both the Australian and any overseas securities regulators may have enforcement responsibilities in relation to the Proposal. If you need to make a complaint about this Proposal, please contact the securities regulator of the relevant jurisdiction. The Australian and any overseas regulators will seek to work together to settle your complaint.

The taxation treatment of Australian securities may be substantially different for overseas securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The currency for the Shares is Australian dollars. The value of the securities in any other currency will go up or down according to changes in the exchange rate between Australian dollars and any other relevant currency. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not Australian dollars you may incur significant fees in having the funds converted to that currency, for example, in having the funds credited to a bank account in Singapore in Singapore dollars.

This Booklet has been prepared in compliance with Australian law and is not an information memorandum, investment statement, prospectus or product disclosure statement under any foreign law and has not been registered, filed with, or approved by any regulatory authority (other than ASIC). It may not contain all the information that an investment statement, prospectus or product disclosure statement under any foreign law is required to contain. It is a term of the Proposal that any offer of securities to the public in any foreign jurisdiction is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer that apply in Australia.

Shareholders resident in jurisdictions outside of Australia

The contents of this Booklet have not been reviewed by any governmental or regulatory authority outside of Australia. You are advised to exercise caution in relation to the Proposal. If you are in doubt about any contents of this Booklet, you should obtain independent professional advice.

Defined terms

Unless otherwise indicated, all references to Sections are references to Sections of this Booklet.

Capitalised terms and certain abbreviations used in this Booklet are defined in the Glossary in Section 13.

Unless the contrary intention appears, the context requires otherwise or words are defined in Section 13, words and phrases in this Booklet have the same meaning and interpretation as in the Corporations Act.

Enquiries

If you are in any doubt as to how to deal with this Booklet, you should consult with your professional adviser. If you have any questions about the Proposal, please call the Share Registry – Boardroom Pty Limited on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia) between 8.30 am and 5.00 pm AEST on Business Days.

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Important Dates

This Booklet filed with ASIC	Tuesday, 24 August 2021
Latest date for return of proxies	Tuesday, 21 September 2021 at 1:00pm AEST
Annual General Meeting	Thursday, 23 September 2021 at 1:00 pm AEST
Results of AGM announced on ASX	Thursday, 23 September 2021
Completion of removal of the Company from the Official List	Friday, 24 September 2021
Completion of Business Acquisition	Monday, 27 September 2021

Notes:

All dates in the above timetable are indicative only. Any changes to the above timetable will be announced through ASX and notified on the Company's website at <https://velocitypropertygroup.com.au/>. Any such change will be taken to amend this Explanatory Memorandum accordingly. All references to time in this Booklet are references to AEST. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws.

Chair's Letter

Dear Shareholder,

Proposal

On behalf of the board of Dealt Limited (the **Company**), I am pleased to invite you to our 2021 Annual General Meeting (**AGM**). The purpose of the meeting includes the ordinary business of considering the Company's financial statements and reports and the adoption of the Company's remuneration report (**Ordinary Business**). Importantly, the AGM will also consider an updated proposal to repurpose the Company.

The Company previously obtained various Shareholder approvals for the repurpose, restructure and recapitalisation of the Company into a commercial real estate (CRE) finance group focused on originating, lending and managing real estate debt within Australia and New Zealand (**Earlier Proposal**). These approvals were set out in the Notice of Meeting announced to ASX on 23 December 2020 (**Notice of Meeting**).

On 29 March 2021, the Company launched a capital raising under a Replacement Prospectus and Product Disclosure Statement dated 18 March 2021 (**Capital Raising**) and marketed extensively to prospective new shareholders. Their feedback was supportive for the Company only proceeding with the acquisition of the electronic dealt platform/brokerage business, Digital Software Solutions Pty Ltd trading as dealt (**dealt**).

Based on the strong interest in the dealt platform on its own and further analysis and due diligence, the directors of the Company recommend to Shareholders that the Company proceed with just the acquisition of dealt and not proceed with certain other aspects of the Earlier Proposal, including the Capital Raising.

This would mean that the Company would repurpose solely to be an online marketplace/brokerage for commercial real estate loans (the **Proposal**). The Proposal will not require any additional capital to be raised as the consideration for the acquisition of the shares in dealt will be funded in part from available capital resources and in part by the issue of shares in the Company to the relevant vendors as previously contemplated in the Notice of Meeting and the Replacement Product Disclosure Statement and Prospectus dated 18 March 2021.

It is proposed that the Company would also be delisted and be removed from the Official List. Whilst the Directors are of the view that the acquisition of dealt is in the best interests of Shareholders, the Directors do not believe that dealt's current level of operations are appropriate for the Company to continue to be listed. The Directors believe that the continued growth and investment in the dealt business can be best pursued in a delisted environment and provide more flexibility for the Company to achieve liquidity scenarios in the future.

The implementation of the Proposal entails the following steps:

- (a) Shareholders approving all of the Resolutions 3 to 7 (**Proposal Resolutions**) in the Notice of Meeting; and
- (b) if the Shareholders approve all of the Proposal Resolutions:
 - (i) the Company will be removed from the Official List;
 - (ii) the Company will complete the acquisition of dealt;
 - (iii) in consideration for the acquisition of the shares in dealt, the Company will issue Shares to the relevant vendors;
 - (iv) as a result of the issue of Shares to certain dealt vendors, TGP TOT JV Pty Limited (the **360 Capital Shareholder**), a member of the 360 Capital Group, and its associates will increase its relevant interest in the Company above 20%;
 - (v) the Company will implement a new business strategy to focus on CRE brokerage; and

- (vi) the Company will cease its property development business following the sale of all remaining developed apartments and residential investment units.

To assess the related party transactions aspects of the Earlier Proposal, the Board established an Independent Board Committee (**IBC**) comprising Philip Raff and Peter Lewis (the former Chair), neither of whom are associated with 360 Capital Group. The IBC unanimously recommended Shareholders vote in favour of the relevant related party transactions aspects of the Earlier Proposal and after further assessment of the Proposal the IBC (which now comprises just Philip Raff) unanimously recommends Shareholders vote in favour of the relevant related party transactions aspects of the Proposal.

Separately, the Company appointed BDO Corporate Finance (East Coast) Pty Ltd to prepare a report in respect of the proposed acquisition of Digital Software Solutions Pty Ltd to enable Shareholders to assess its merits and also to ensure Shareholders were provided with all material information in respect of approval of the arrangements under which the 360 Capital Shareholder, and its associates will increase its voting power in the Company above 20%. The Independent Expert has concluded that the terms of the proposed acquisition and those circumstances are fair and reasonable to Shareholders.

The Board believes there are key benefits for the Group after the implementation of the Proposal which are described in section 4 of this Booklet. There are also disadvantages of the Proposal which are described in section 5 of this Booklet. On balance, the Board believes that the Proposal is in the best interests of all Shareholders.

There are certain risks that could impact the Group in connection with the implementation of the Proposal. The risks specific to the proposed business strategy of the Group and the Group generally are set out in section 7.1. There are a number of general investment risks associated with the Group that are set out in 7.2. I encourage all Shareholders to carefully consider these risks.

Various matters in respect of the Proposal will be put before Shareholders for approval at the annual general meeting (**AGM**).

The AGM will be held on Thursday, 23 September 2021 at 1:00pm AEST online. Please see the Notice of Meeting for further details.

The Booklet contains important information and should be read prior to voting on the Proposal at the AGM.

The Board unanimously recommend that you support the Proposal by voting in favour of all of the Proposal Resolutions.

On behalf of the Board, I commend the Proposal to you.

Please contact the Share Registry – Boardroom Pty Limited on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia) between 8.30 am and 5.00 pm AEST on Business Days if you have any questions in relation to the Proposal.

Yours sincerely,

Tony Pitt
Chair
Dealt Limited

What Shareholders need to do

<p>Read this Booklet in full</p>	<p>You should read this Booklet in full. It contains important information to assist you in your voting decision.</p> <p>Please contact the Share Registry – Boardroom Pty Limited on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia) between 8.30 am and 5.00 pm AEST on Business Days if you have any questions in relation to the Proposal.</p>
<p>Consideration of the Ordinary Business and vote on the Proposal</p>	<p>We encourage Shareholders to consider the Ordinary Business of the AGM.</p> <p>It is important that you vote on the Proposal Resolutions to be considered at the Annual General Meeting to be held on Thursday, 23 September 2021 at 1:00pm AEST.</p> <p>The Proposal will only proceed if all of the Proposal Resolutions are approved.</p> <p>If the Proposal Resolutions are approved, the Company intends to seek Shareholder approval to change the name of the Company to 'Dealt Holdings Limited'.</p> <p>Please note that if the Proposal Resolutions are not approved, the Company intends to seek Shareholder approval to change the name of the Company back to 'Velocity Property Group Limited'.</p>
<p>Recommendation</p>	<p>The Board unanimously recommends that Shareholders vote in favour of all of the Proposal Resolutions and that they support the Proposal.</p> <p>The Board believes that there are numerous significant benefits in implementing the Proposal. Conversely, they consider that the disadvantages are few and relatively small compared to the advantages in undertaking the Proposal.</p>
<p>How do I vote?</p>	<p>Shareholders can vote by:</p> <ul style="list-style-type: none"> • attending the AGM or online; or • completing and returning the Proxy Form included with this Booklet: <p>By mail or in person to:</p> <p>Boardroom Pty Limited:</p> <p><i>By mail:</i></p> <p>Share Registry – Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001</p> <p><i>In person:</i></p> <p>Share Registry – Boardroom Pty Limited, Level 12 225 George Street Sydney NSW 2000* During business hours (Monday to Friday, 9:00am–5:00pm)</p> <p>By facsimile to: +61 2 9290 9655</p> <p>Online at:</p> <p>To use this facility please follow the instructions on your enclosed Proxy Form.</p>

	Proxy Form must be received before 1.00pm AEST on Tuesday, 21 September 2021.
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Key features and overview of the Proposal

The following table summarises the key features and provides an overview of the Proposal. The information set out in this section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in the Booklet. To find the more detailed information refer to the relevant section in the Booklet as noted in the table.

Feature	Summary	Section(s) in Booklet
Who is the issuer of this Booklet?	Dealt Limited in respect of the Notice of Annual General Meeting and Explanatory Memorandum.	See Important Notices section.
What is the Proposal	<p>The Company is currently a property development company.</p> <p>If the Proposal is implemented, the Company will be removed from the Official List, complete the acquisition of Digital Software Solutions Pty Ltd trading as dealt and will implement a new business strategy to focus on commercial real estate brokerage through the online market place www.dealt.com.au.</p> <p>The Board believes the repurposing of the Company is in the best interests of Shareholders.</p> <p>The steps to implement the Proposal are summarised in section 2.2.</p>	See sections 2 and 3.
What approvals are required?	<p>The implementation of the Proposal is dependent upon the passing of the Proposal Resolutions of Shareholders at the Annual General Meeting to be held on Thursday, 23 September 2021 at 1:00pm AEST.</p> <p>If the Proposal Resolutions are approved, the Company intends to seek Shareholder approval to change the name of the Company to 'Dealt Holdings Limited'.</p> <p>If the Proposal Resolutions are not approved, the Company intends to seek Shareholder approval to change the name of the Company back to 'Velocity Property Group Limited'.</p> <p>A summary of the Resolutions are set out in section 2.3 and a detailed analysis is set out in section 11.</p>	See sections 2.3 and 11.
What is the Company's proposed business strategy?	<p>dealt was established with the sole purpose of creating an online solution for loan brokerage, underwriting, negotiation and execution of CRE loans. Several online brokerage platforms have been established for the residential mortgage market, however there are few platforms for the CRE markets.</p> <p>After the Approval Date, the Company's proposed business strategy is to:</p> <ul style="list-style-type: none"> • generate brokerage and referral fee income from the dealt platform; and 	See sections 3.2.

Feature	Summary	Section(s) in Booklet
	<ul style="list-style-type: none"> over time pursue acquisitions of other early-stage technology companies. 	
<p>What is the Company's growth strategy?</p>	<p>dealt recently expanded its brokerage lending offerings and subsequently onboarded suitable and sufficient lenders to enable it to fully cater to the CRE lending market.</p> <p>Profitability will be achieved with growth in the volume of borrowers that use the online platform to consistently transact with lenders to then generate recurring brokerage fee revenue.</p> <p>dealt is building its borrowers pipeline through extensive marketing via various industry participants including their publications and websites. dealt is also in the process of establishing several strategic external 3rd party partnerships and relationships with online CRE listing sites, finance brokers and national and international CRE sales agencies for the purpose of maximising lead generation. The establishment of these relationships is at an advanced discussion stage and dealt is aiming to have these strategic external 3rd party partnerships executed within the first 12 months of operations.</p>	<p>See section 3.4.</p>
<p>What will be the structure of the Group?</p>	<p>Under the Proposal, the Group will consist of the Company and various subsidiaries including Digital Software Solutions Pty Ltd trading as dealt and various special purpose vehicles previously used for undertaking developments; some of which continue to hold the Groups existing property portfolio.</p>	<p>See section 3.5.</p>
<p>What are the advantages of the Proposal?</p>	<p>The key advantages of the Proposal are described in section 4 of this Booklet. These include:</p> <ul style="list-style-type: none"> exposure to a recently established digital marketplace for commercial real estate debt; the acquisition of dealt provides shareholders the opportunity to benefit from the significant growth potential of dealt as it gains market share in Australia and expands to offshore markets including Australia and New Zealand; reduced listing costs from the removal from the Official List; and continued Shareholder protections, which include compliance with the continuous disclosure regime and the obligation to prepare audited annual and half year financial statements, in each case, as required under the Corporations Act. 	<p>See section 4.</p>

Feature	Summary	Section(s) in Booklet
What are the disadvantages of the Proposal?	<p>The key disadvantages of the Proposal are described in section 5 of this Booklet. These include:</p> <ul style="list-style-type: none"> • changed business strategy with an alternative risk profile; • a reduced NTA per Share after implementation; • one off costs in connection with the Proposal; • Shareholders' will no longer have the ability to sell Shares and realise their investment in the Company via the ASX; • the Company will not be able to raise capital from public listed equity capital markets; and • various requirements of the ASX Listing Rules will no longer apply. 	See section 5.
Dividends	<p>The Board will determine when dividends are declared taking into account current year earnings, trading outlook and capital requirements. Given the early growth stage of dealt, the Company is not expected to pay dividends in the short term.</p> <p>The Constitution allows for dividend reinvestment arrangements.</p>	See section 7.1(c).
What are the key risks for the Proposal	<p>There are certain risks that could impact the Group in connection with the implementation of the Proposal.</p> <p>These include risks specific to the proposed business strategy and other general investment risks.</p> <p>One such risk specific to the Group is that the Group's proposed business strategy is a business with limited financial, operating or performance history.</p> <p>The information in this Booklet about the Company's business and growth strategy are not projections. There is a risk that the Group's investment and growth strategy will not be achieved.</p>	See Section 7.
What are the tax implications of the Proposal?	There are no tax implications to current Shareholders in connection with the implementation of the Proposal.	
What happens if I do not vote, or vote against, the Proposal Resolutions and the Proposal Resolutions are passed?	<p>The Board encourages all Shareholders to review this Booklet and carefully consider whether they support the Proposal.</p> <p>If you don't vote on the Proposal Resolutions, or you vote against the Proposal Resolutions, and the Proposal Resolutions are passed and</p>	

Feature	Summary	Section(s) in Booklet
	the Proposal proceeds, the consequences of the Proposal will still apply to you.	

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared in connection with an Annual General Meeting to be held on Thursday, 23 September 2021 at 1:00pm AEST online. Please see the Notice of Meeting for further details.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice of Meeting set out in Annexure A of this Booklet. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to support the Proposal and to approve the Proposal Resolutions referred to in the Notice of Meeting.

Capitalised terms and abbreviations used in this Explanatory Memorandum are defined in the Glossary in Section 13.

2. Implementation of the Proposal

2.1 Background

The Company previously obtained various Shareholder approvals for the repurpose, restructure and recapitalisation of the Company into a commercial real estate finance group focused on originating, lending and managing real estate debt within Australia and New Zealand (**Earlier Proposal**). These approvals were set out in the Notice of Meeting announced to ASX on 23 December 2020 (**Notice of Meeting**).

On 29 March 2021, the Company launched a capital raising under a Replacement Prospectus and Product Disclosure Statement dated 18 March 2021 (**Capital Raising**) and marketed extensively to prospective new shareholders. Their feedback was supportive for the Company only proceeding with the acquisition of the electronic dealt platform/brokerage business, Digital Software Solutions Pty Ltd trading as dealt (**dealt**).

Based on the strong interest in the dealt platform on its own and further analysis and due diligence, the directors of the Company recommend to Shareholders that the Company proceed with just the acquisition of dealt and not proceed with certain other aspects of the Earlier Proposal, including the Capital Raising.

This would mean that the Company would repurpose solely to be an online marketplace/brokerage for commercial real estate loans (the **Proposal**). The Proposal will not require any additional capital to be raised as the consideration for the acquisition of the shares in dealt will primarily be the issue of shares in the Company to the relevant vendors as previously contemplated in the Notice of Meeting and the Replacement Product Disclosure Statement and Prospectus dated 18 March 2021.

It is proposed that the Company would also be delisted and be removed from the Official List. Whilst the Directors are of the view that the acquisition of dealt is in the best interests of Shareholders, the Directors do not believe that dealt's current level of operations are appropriate for the Company to continue to be listed. The Directors believe that the continued growth and investment in the dealt business can be best pursued in a delisted environment and provide more flexibility for the Company to achieve liquidity scenarios in the future.

The Proposal gives rise to a number of related party transactions between the Company, certain directors of the Company and 360 Capital and its related entities. For these reasons, the Board established an Independent Board Committee (**IBC**) comprising the former Chair, Peter Lewis and Philip Raff, neither of whom are associated with 360 Capital Group, to separately consider the relevant related party transactions of the Earlier Proposal on behalf of the Board.

The key objectives of the Board in relation to the Earlier Proposal and this Proposal and the establishment of the IBC were to ensure:

- (a) Shareholders best interests are advanced by the proper consideration, negotiation and implementation of the Earlier Proposal and this Proposal and the proper ongoing conduct of the Company's business while the Earlier Proposal and this Proposal was being considered and implemented;
- (b) the Board and management were free from any actual undue influence or appearance of undue influence when considering the Earlier Proposal and this Proposal;
- (c) there was no actual, or appearance of any, conflict of interest, for the Board and management in their dealings with the 360 Capital Group in relation to the Earlier Proposal and this Proposal; and
- (d) the Board and the IBC had the opportunity to obtain appropriate advice and management support in relation to these matters.

The relevant related party transactions that the IBC considered include the terms of the proposed Business Acquisition (which is further described in section 11.4).

The IBC (which now comprises just Philip Raff following the resignation of Peter Lewis) has further assessed the current Proposal and has come to the view that it is prepared to recommend that Shareholders support the relevant related party transaction aspects of the Proposal.

After due consideration of the IBC's recommendations, the Board believe that all aspects of the Proposal are in the best interests of all Shareholders and the Board unanimously recommends that you support the Proposal by voting in favour of all of the Proposal Resolutions.

Monday, 16 August 2021 ASX approved the Company's formal request for removal from the Official List. As a condition of ASX actioning that request, it will require the Company to obtain Shareholder approval. If all of the Proposal Resolutions are approved it is expected that the On Company will be removed from the Official List on Friday, 24 September 2021.

If any of the Proposal Resolutions are not approved, the Proposal will not proceed and the Company will continue with the orderly disposal of all remaining assets and ultimately wind up. The Company will not request that ASX lift the suspension of trading in its securities as this requires demonstrating to ASX that the level of the Company's operations are sufficient to warrant the continued quotation of the Company's securities.

2.2 Summary of transaction steps

The table below summarises the steps to implement the Proposal.

Step	Description	Further information
Obtain Shareholder approval	The Company will seek Shareholder approval to the Proposal Resolutions in the Notice of Meeting.	See section 11 for further details
Removal from Official List	The Company will be removed from the Official List.	See section 11.7 for further details
Implement new business strategy	If Shareholders approve the Proposal Resolutions, the Company will implement a new business strategy to focus on commercial real estate debt origination and brokerage.	See sections 3.2 to 3.4
Complete Business Acquisition	If Shareholders approve the Proposal Resolutions, the Company will complete the acquisition of Digital Software Solutions Pty Ltd trading as dealt.	See section 11.4
360 Capital Shareholder Shareholding	As a result of the issue of Shares to certain dealt vendors, TGP TOT JV Pty Limited (the 360 Capital Shareholder), a member of the 360 Capital Group, and its associates will increase its relevant interest in the Company above 20%	See section 11.6
Changes to board and management	If Shareholders approve the Proposal Resolutions, the new Group will make certain changes to the management and directors of the Company.	See sections 3.8

Dispose of current business	If Shareholders approve the Proposal Resolutions, the Company will cease its property development business following the sale of all remaining developed apartments and ten residential investment units.	See section 3.9
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The Board believes there are key benefits for the Group after the implementation of the Proposal which are described in section 4 of this Booklet.

There are also disadvantages of the Proposal which are described in section 5 of this Booklet.

The Board has considered the Proposal having regard to all relevant circumstances and believes it is in the best interests of the Company and its Shareholders to have the opportunity to consider and vote on the Proposal.

2.3 Shareholder approval

The implementation of the Proposal is dependent upon the passing of the Proposal Resolutions of Shareholders at the Annual General Meeting to be held on Thursday, 23 September 2021 at 1:00pm AEST online. Please see the Notice of Meeting for further details.

The table below summarises the Resolutions. Please note that Shareholders must approve all of Resolutions 3 - 7 at the AGM for the Proposal to proceed.

Resolution	Description	Listing Rule/Corporations Act requirement
Resolution 1	A non-binding ordinary resolution to approve the Remuneration Report.	Section 250R of the Corporations Act
Resolution 2	An ordinary resolution to approve the re-election of Director James Storey	ASX Listing Rule 14.5
Resolution 3	An ordinary resolution to approve the change in the nature and scale of activities of the Company.	ASX Listing Rule 11.1
Resolution 4	An ordinary resolution to approve the acquisition of dealt.	ASX Listing Rule 10.1
Resolution 5	An ordinary resolution to approve the issue of shares to the vendors of dealt.	ASX Listing Rule 7.1 and ASX Listing Rule 10.11
Resolution 6	An ordinary resolution to approve the acquisition of shares by the 360 Capital Shareholder and its associates above the 20% threshold.	Section 611(7) of the Corporations Act
Resolution 7	A special resolution to approve the removal of the Company from the Official List.	ASX Listing Rule 17.11
Resolution 8	If Resolutions 3 - 7 are approved by Shareholders, a special resolution to approve the change of name from 'Dealt Limited' to 'Dealt Holdings Limited'. If Resolutions 3 - 7 are not approved by Shareholders, a special resolution to	Section 157 of the Corporations Act

	approve the change of name from 'Dealt Limited' to 'Velocity Property Group Limited'.	
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Proposal Resolutions 3 - 7 are conditional upon the approval by Shareholders of each of those Resolutions. If any of the Proposal Resolutions 3 - 7 are not approved by Shareholders, all of those Resolutions will fail and the Proposal will not occur.

A detailed analysis of the Resolutions is set out in section 11.

The Board unanimously recommends that Shareholders vote in favour of the Proposal Resolutions and support the Proposal.

See the Notice of Meeting for the detailed text of the Resolutions being proposed at the AGM.

3. Details of the Proposal

3.1 Current business

The Company listed on the ASX in February of 2017 having completed projects with a Gross Development Value (**GDV**) of approximately \$40,000,000 in the few years prior to listing. Since listing on ASX, the Company has gone on to develop projects with a GDV of \$150,000,000 in the last three years.

Having completed projects with a GDV of approximately \$85,000,000 in calendar year 2019, the Company secured a 19.99% cornerstone investment from TGP TOT JV Pty Limited (the **360 Capital Shareholder**), a member of the 360 Capital Group, with the intention of syndicating future developments to allow for further growth.

The onset of COVID-19 did not materially impact sales of completed stock but created sufficient uncertainty with regards to the Company's ability to successfully raise the necessary funds to syndicate development projects going forward. It followed that all development activities were paused in order for the Company to undertake a strategic review of the business.

The review concluded that, the appropriate path forward was to dispose of the Company's remaining development sites in an orderly manner and explore alternative business strategies.

The Board then received a proposal from 360 Capital Group to repurpose the business to focus on commercial real estate debt. The collaboration with 360 Capital Group resulted in the Earlier Proposal. As set out in section 2.1, the Company is now proposing to be removed from the Official List, just acquire dealt and repurpose the Company solely to be an online marketplace/brokerage for commercial real estate (**CRE**) loans.

3.2 Proposed Business strategy

The proposed business objective of the Company under the Proposal is to generate income and capital growth through the acquisition and growth of dealt.

The Company would aim to achieve the income and capital growth to Shareholders through the acquisition of dealt and subsequent expansion of dealt throughout Australia and eventually offshore markets.

dealt will generate fee income from a CRE loan brokerage business. The business charges referral and brokerage fees for introducing borrowers to lenders. All lenders which use dealt's platform agree to pay dealt a referral fee equal to 0.25% plus GST of the facility limit upon financial close of the loan transaction. In the event dealt also originates the loan from a borrower, dealt may be entitled to charge a brokerage fee (of up to 0.50% plus GST) in addition to the referral fee. The brokerage fee will be paid by the borrower upon financial close of the loan transaction. Refer to section 3.4 for further details on the fee model.

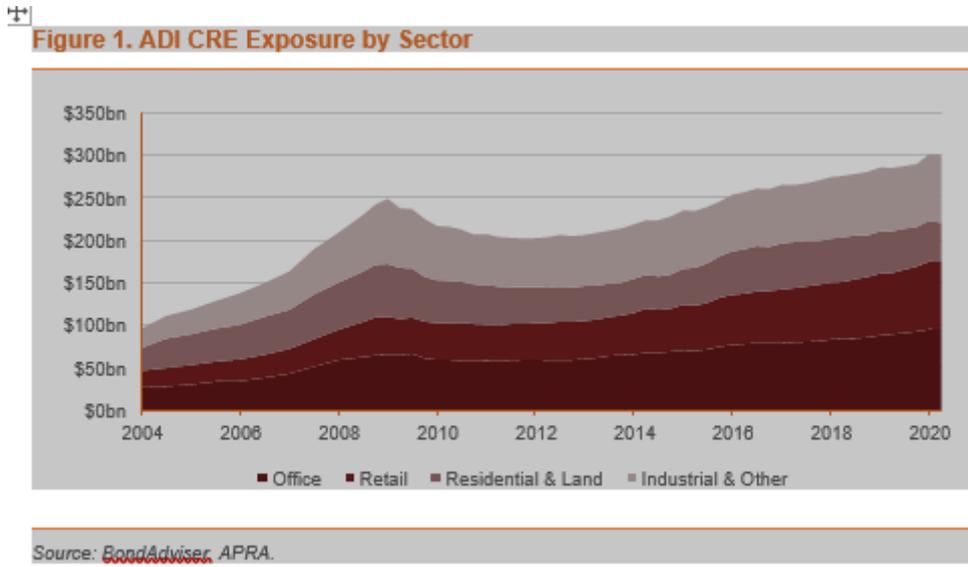
3.3 Market/industry overview

(a) The Australian private debt market

The Australian private debt market is one of the largest and more diverse domestic asset classes in Australia and is growing into an institutional asset class. For decades, traditional major banks dominated the domestic corporate loan landscape (70-80%) on account of greater, easier access and availability of credit. Tighter regulatory constraints and consistent strong demand for credit, has seen a gradual contraction of the major banks' monopoly and the emergence of private, non-bank lenders to fill the gap and provide diversification.

The market's increased activity and prevalence in recent years is due to its unique risk profile by way of secured first mortgage, floating rate, corporate credit which coincides with ideal positioning within both the interest rate and credit cycles.

A major and specialised subset of the Australian private debt sector is the CRE loan market, which represents circa a fifth of the aggregate corporate loan book of the domestic banking system (domestic ADIs). CRE debt funding revolves around a particular commercial property asset (rather than a company) which can vary in terms of stages of development and improvements, seniority, geography and use of the underlying asset (Figure 1).



In the private debt market, lending is generally undertaken on a direct basis between lender and borrower, as bilateral loans. These loans can be tailored to suit the underlying borrower's situation. This contrasts with syndicated loans, where multiple banks will lend to a single borrower to divide risk exposure. Due to the structuring of bilateral loans, they are relatively more illiquid compared to syndicated loans as they generally involve a buy-and-hold strategy and commitment of 12 to 24 months.

These private loans will generally be made to smaller borrowers (the middle-market) with loans typically less than A\$100 million. While some of Australia's largest buildings will involve loan syndication, most domestic CRE financing arrangements are conducted on a bilateral basis, especially given the unique circumstances and attributes of CRE assets.

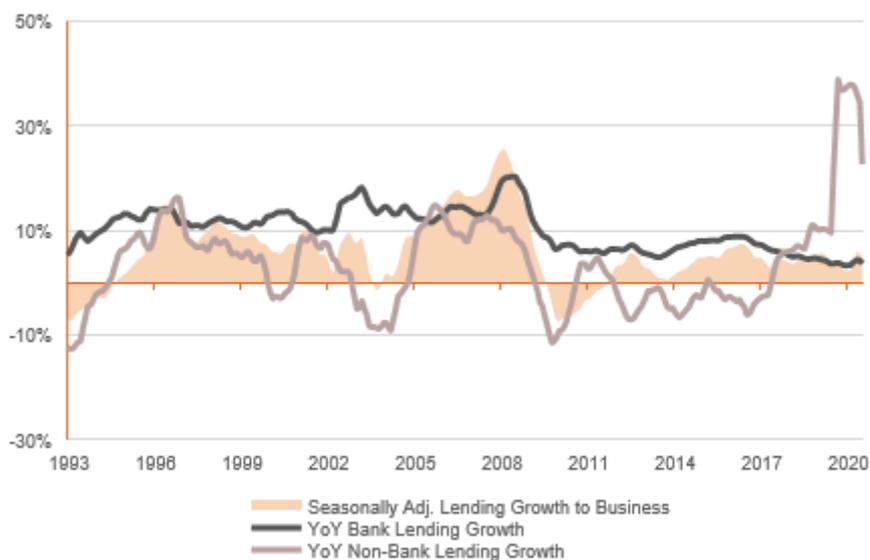
	Bilateral Loans	Syndicated Loans
Loan Size	\$2-\$100 million	>\$100 million
No. of Lenders	Single: loans are made on a one-on-one basis with a single borrower and a lender.	Multiple: Multiple banks will form a 'syndicate' and collectively lend to a single borrower.
Public Information	Lower: Bilateral contracts are highly confidential with the terms generally giving the lender significant non-public information about the borrower.	Higher: As syndicated loans typically involve large public companies, there is some public disclosure with collection from a number of self-reported data vendors.
Covenants	Due to risk concentration for the lender and usually bespoke requirements of the borrower, bilateral agreements tend to have more robust covenant packages.	As syndicated loans are generally made to the largest borrowers and for common purposes, contracts typically have a greater degree of standardisation and less restrictive covenant packages.
Credit Spread	Higher: Bilateral loans are usually made to smaller and relatively riskier borrowers. As a result, lenders will usually require a greater risk premium.	Lower: Syndicated loans are usually made to larger and relatively less risky borrowers. As a result, lenders will usually require a lower risk premium.

Liquidity	Lower: As there is less standardisation and only a single borrower, bilateral loans have a very limited secondary market.	Higher: Syndicated loans have some degree of liquidity either between syndicate participants or other large banks.
Non-Bank Participation	Higher: Due to the attractive risk profile which can be tailored to the lender, confidentiality of agreements and lower capital requirements, there is a greater participation from non-bank lenders.	Lower: Banks usually offer loans at competitive rates due to additional ancillary attached to a particular borrower (bank accounts, hedging) making the return profile of syndicated loans unattractive to non-bank lenders. Greater capital requirements also impose a barrier to entry.
Fee Structure	Although the all-in cost of funding may be higher, bilateral agreements are usually subject to a limited number of fees.	Syndicated loans typically involve syndication fees and agent / arranger fees. However, the all-in cost of funding will generally still be lower due to smaller capital spread.

Source: BondAdvisor

Historically, this participation has been cyclical with the domestic corporate loan landscape remaining a major bank-dominated market with APRA figures indicating that the majors represent 70-80% of all domestic corporate lending. As illustrated in the below table from 2017 until early 2020 non-bank lending experienced strong growth and substantially outperformed bank lending on a growth basis.

Figure 3 - Australian Corporate Lending Growth:

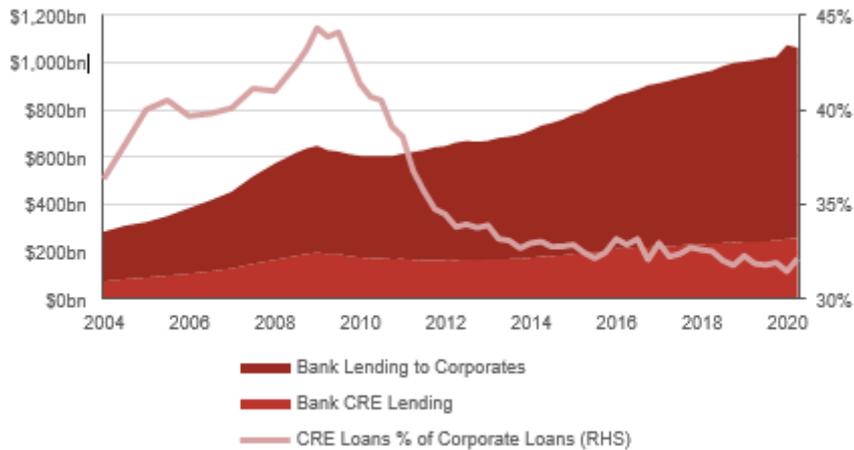


Source: BondAdviser, RBA

CRE lending, is a specialised, yet major component of the middle-market corporate loan universe where lenders participate in the development of new or established real estate across office, industrial, retail or residential developments. In addition to this development-based lending is residual stock lending which involves a developer as they sell left-over apartment stock, is an increasingly important aspect of the CRE market at this point in the cycle.

The total domestic CRE exposure is estimated to be ~A\$300 billion according to APRA, demonstrating the size and breath of the market. As the next figure illustrates, this exposure has proportionally declined within the corporate loan books of banks, highlighting the inverse trend seen across the broader Australian private debt market.

Figure 4 - Australian Banking System Domestic CRE Exposure



Source: BondAdviser, APRA

(b) Seniority and the capital structure

Commercial property assets are generally financed from a mix of debt and equity capital structures with loans secured to the underlying real estate/project. Within each class, investors can be subordinated depending on the specific funding composition of the underlying asset. Equity forms the residual value of the asset once the debt is subtracted from its market value. A first lien loan is a type of senior debt where debt holders have the highest priority claims to the collateral of the loan in the event of default. Claims on the collateral of second-lien loans (also known as mezzanine financing) rank behind claims of first-lien loans. Due to the implied risk in a wind-up scenario, second-lien loans usually price at a premium to first-lien loans. As both obligation types are typically structured as secured arrangements, CRE loans almost always rank ahead of other investors in the capital structure.

Capital structure examples:



Source: BondAdviser

The credit quality of an asset will usually be represented by the loan-to-value ratio (**LVR**) which describes the proportion of debt used to fund an asset or other project- specific measures. The debt value advanced should reflect the borrower’s credit risk and will be contingent on many factors such as facility size, term, equity buffer, credit risk (and associated covenant package), purpose, the demand / supply dynamics of the market (business credit availability, alternative funding sources), liquidity and can also be linked to certain conditions (credit deterioration or prepayment triggers).

Material shifts in the perceived credit risk of the borrower from the loan’s credit spread will impact capital value and can be driven by many factors summarised below.

Qualitative Factors	<ul style="list-style-type: none"> • Macro environment • Property conditions • Management • Alternate uses • Geographic area
Quantitative Factors	<ul style="list-style-type: none"> • Credit spreads • Default probability • Recovery rates • Credit metrics • Covenant package • Property valuation • Cost-to-Complete
Profitability	<ul style="list-style-type: none"> • Interest rate • Other fees • Undrawn portion • Fixed / floating
Facility Characteristics	<ul style="list-style-type: none"> • Collateral • Loan term • Size
Market Factors	<ul style="list-style-type: none"> • Demand / supply • Reference rates • Banking • Regulation • Alternative capital sources • Refinancing • Economic conditions

Source: BondAdviser.

(c) **CRE funding structure examples:**

	Investment / Residual Stock	Development
Asset Base	Established single assets such as commercial office, industrial or retail.	Unestablished single assets.
Funding Structure	Senior (30-60%), Equity (40-70%).	Senior (30-50%), Mezzanine (0-20%), Equity (30-50%).
Security	Secured against established assets.	Secured against underlying land, borrower's assets or project.
Funding Use	Senior debt is used to fund the acquisition of the asset, with the remainder utilised for redevelopment.	Funding facilitates initial purchase of site, with progressive drawdown as the development progresses.
Primary Covenants	LVR and ICR.	Cost-to-Complete and Debt Service tests.
Debt Repayment	Asset rental stream, settlements or refinancing.	Pre-sales, settlements, deposits, refinancing or asset sales.
Yield / Risk / Control	Lower.	Higher.

(d) **The opportunity**

Due to regulatory restraints and market conditions outlined above, the Group expects market conditions to continue to remain conducive for non-bank CRE lending.

Notwithstanding the dislocation in the credit market and current COVID-19 pandemic, Australia remains an attractive investment proposition as evidenced by a long history of economic growth, population growth fuelling future credit growth, safe investment harbour as one of the six safest investment destinations globally according to Dun & Bradstreet.

It is proposed that the Company will be well positioned to grow market share of Commercial Real Estate Debt brokerage.

3.4 The dealt business

If approved by Shareholders, the Company will acquire a loan brokerage business Digital Software Solutions Pty Ltd trading as dealt (**dealt**).

Background

Founded in May 2018, Digital Software Solutions Pty Limited (trading as dealt) was established with the sole purpose of creating an online solution for loan brokerage, underwriting, negotiation and execution of CRE loans. Several online brokerage platforms have been established for the residential mortgage market, however there are few platforms for the CRE markets.

dealt receives brokerage fees for introducing borrowers to lenders. dealt currently has a panel of 80 approved lenders to introduce loan transactions to. Prior to being accepted as an approved lender, the lender is required to agree to the terms and conditions of the platform.

The three co-founders, James Storey, Tony Pitt and Glenn Butterworth are all executives of 360 Capital Group and combined have over 50 years of experience in all forms of real estate including residential and commercial investment and development. In their roles as Head of Real Assets, Managing Director and Chief Financial Officer they have been involved in reviewing over \$3 billion and writing over \$220 million of non-bank real estate credit transactions during the preceding 4 years. The co-founders have deep contact networks across the Australasian property sector including equity and debt providers.

dealt has been designed by the co-founders drawing on their extensive experience as property investors, borrowers and lenders.

The co-founders identified a lack of sophistication, consistency and transparency in underwriting real estate credit particularly in the non-bank sector. dealt proposes to capitalise on the rise of alternative lenders and the growing funding gap left by traditional banks within the Australian market. Whilst online lending solutions proliferate in the residential mortgage and small business lending sector there are no solutions for the more complex and less homogenous areas of commercial real estate development and investment financing. The online marketplace is one of the first in Australia to have online calculation engines which accurately assess loan calculations enabling lenders to provide pricing and terms to borrowers in a standardised format. The time taken to prepare credit papers which lenders require to assess loans is reduced significantly thereby helping borrowers obtain funding proposals much more quickly.

Development of the initial prototype commenced in October 2018 with Talos LLC engaged in January 2019 to develop the online application. dealt raised seed capital in June 2019 from 360 Capital Group to complete development and dealt was launched in early 2020.

Who owns the intellectual property?

All intellectual property in the dealt platform is solely owned by dealt.

Recent Partnerships

In September 2020, dealt secured an investment from Aryn Gillani, CEO and Founder of Talos Digital LLC and Mentor at WeWork Labs and the Founder Institute. The investment was for \$400,000 or 10.0% of the ordinary equity in dealt. As part of this investment, services were

provided in kind for future development of the application and to secure the support of Amyn in expanding dealt's reach into the Americas.

In March 2021 dealt agreed terms to pursue a partnership with developmentready.com.au, a leading commercial real estate listing site which will drive qualified leads directly to dealt's sales funnel.

Brokerage Fee Model

dealt runs a two-tier pricing model subject to whether dealt's broker team originates the transaction or if the transaction is introduced to dealt via an external third-party broker.

	Brokerage Fee (payable by the borrower)	Referral Fee (payable by the lender)	Total Fee
dealt originates transaction	0.50% of the Facility Limit	0.25% of the Facility Limit	0.75% of the Facility Limit
dealt does not originate transaction	0.00% of the Facility Limit	0.25% of the Facility Limit	0.25% of the Facility Limit

Growth strategy

dealt recently expanded its brokerage lending offerings and subsequently onboarded suitable and sufficient lenders to enable it to fully cater to the CRE lending market. dealt now has 8 lending product offerings available including development finance, land subdivision finance, SMSF finance, bridging finance, site acquisition finance, residual stock finance, investment finance and mezzanine finance.

dealt is the first online marketplace in Australia with inbuilt calculation engines that enable CRE borrowers (developers, landowners and investors) to answer a series of questions in order to quickly build a funding table in a format acceptable to the panel of lenders. Borrowers will typically have positive responsive from several lenders within 24 hours. By providing a transparent and efficient marketplace, dealt's first mover advantage will help facilitate a path to profitability.

Profitability will be achieved with growth in the volume of borrowers that use the online platform to consistently transact with lenders to then generate recurring brokerage fee revenue.

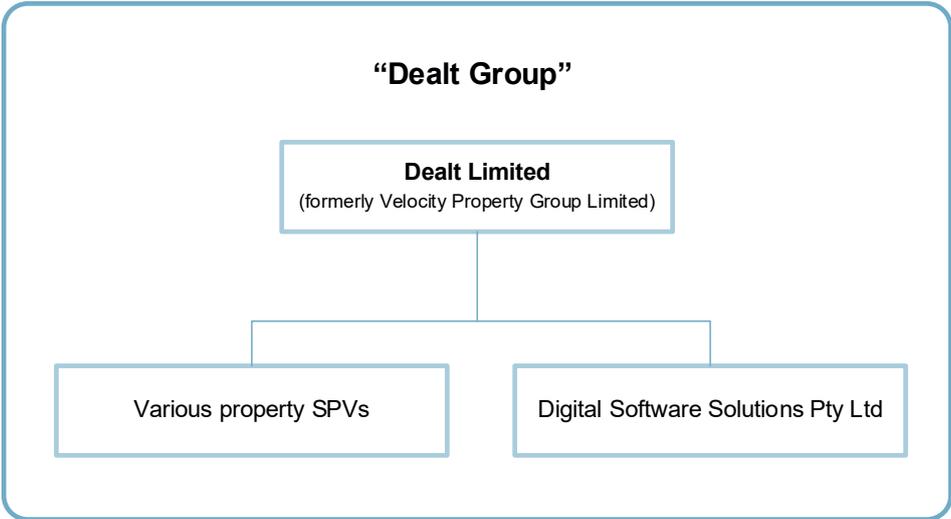
dealt is building its borrowers pipeline through digital marketing via various industry publications and websites. dealt is also in the process of establishing several strategic external 3rd party partnerships and relationships with online CRE listing sites, finance brokers and national and international CRE sales agencies for the purpose of maximising lead generation. The establishment of these relationships is at an advanced discussion stage and dealt is aiming to have these strategic external 3rd party partnerships executed within the first 12 months of operations.

Terms of proposed acquisition

Details of the terms of the proposed acquisition of dealt is set out in section 11.4.

3.5 Group structure

The Group Structure post completion of the Proposal is detailed below:



3.6 Governance of the Company

The Board has corporate governance and compliance obligations under the Corporations Act and the Listing Rules. The Constitution sets out the rights and obligations of it and the shareholders.

The Group has created a governance framework in line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). This includes various corporate governance policies designed to promote the responsible management and conduct of the Group.

The Board will be responsible for ensuring that the Company is properly managed to protect and enhance Shareholder interests, and that the Group and personnel operate in an appropriate environment of corporate governance.

The Board will have overall responsibility for the corporate governance of the Group, including approval and monitoring of key strategic objectives and performance goals. The Board will monitor the financial position and performance of the Group, oversee its business strategy and ultimately be responsible for approving the Group's strategic goals. The Board is integral to the determination of appropriate corporate governance arrangements for the Group and to the continual monitoring of those arrangements.

Further details on the Group's compliance with the ASX Recommendations are set out in section 9. If the Proposal is implemented and the Company is removed from the Official List, the Board will amend its corporate governance policies and procedures to the extent these would no longer be applicable as a result of the delisting from ASX.

The Group's policies, codes and charters relevant to corporate governance are located on the Company's website at <https://velocitypropertygroup.com.au/corporate-governance/>.

3.7 Existing and proposed capital structure

The proposed capital structure of the Group on a pre and post basis following completion of the Proposal and the issue of Shares contemplated by this Booklet is set out below.

	Pre Proposal	Post Proposal
Shares on issue	11,389,937	15,389,937

The Company also has on issue 7,142,857 options at an exercise price of \$1.40 per share issued to 360 Capital REIT (a listed stapled entity comprising 360 Capital Active REIT ARSN 602 303 613 and 360 Capital Passive REIT ARSN 602 304 432) (ASX:TOT). It is proposed that these options be cancelled with the agreement of 360 Capital REIT.

Other than the securities described above, the Company does not have on issue any other types of equity or debt securities.

3.8 Changes to the Board and management

The Board is presently comprised of Tony Pitt, James Storey and Philip Raff.

Philip Raff will continue as Managing Director and Phillip Young will continue as Chief Financial Officer and Company Secretary.

The Board will have responsibility for setting the strategic direction of the Company and Company activities and profitability.

The Board will assess and approve acquisitions and divestments of Company businesses and be responsible for approving key company hires.

The Board will be responsible for overseeing the capital structure of the Company and maintaining prudent gearing levels.

Please see section 6 for biographies of the Board and its management team.

3.9 Disposal of current business

If the Shareholders approve all of the Proposal Resolutions, it is intended that the Company will cease its property development business following the sale of all remaining developed apartments and residential investment units.

As at the date of this Explanatory Memorandum, the Group has interests in the following project and development sites:

Type	Remaining Stock	Gross Realisable Value
Residual Stock	3	\$7,060,000
Investment Properties	10	\$5,955,000
Total	13	\$13,015,000

Residual stock

Whilst not immune to the impact of COVID-19 the Group has managed to maintain sales momentum of its luxury, owner occupied projects. This has included 17 settlements of completed lots across the ONE Bulimba Riverfront, Ellerslie Residences and Parque on Oxford portfolio during the second half of FY20 for a gross value of approximately \$25.4m and a further 22 in FY21 for a gross value of approximately \$36.2m. Unconditional contracts totalling approximately \$3.5m are in place with settlements due in the first half of FY22.

Based on current marketing plans, the remaining residual stock is expected to sell in the current calendar year.

Investment properties

The investment property portfolio is being prepared for sale and a comprehensive marketing

campaign is planned to commence in FY22.

3.10 Discretion

The Board retains a discretion on whether to proceed with the proposed Proposal. If Shareholders pass the Proposal Resolutions, the Board may resolve not to proceed should market conditions or other factors impacting on the Proposal cause the Directors to believe that proceeding with the Proposal would not be in the best interests of the Shareholders.

4. What are the advantages of the Proposal?

The Board believes that the implementation of the Proposal offers the following potential benefits to Security holders.

(a) **Expanded prospects for growth**

The Company will benefit from exposure to a new business that focusses on the growing market opportunity of non-bank commercial real estate loans.

The implementation of the Proposal provides the potential to increase returns to Shareholders.

(b) **Diversification of income streams**

The Company derives the majority of its income from property development. The Company also derives rental income from its investment property portfolio (\$449,203 or approximately 1% of total income in FY21).

The implementation of the Proposal will result in Shareholders receiving additional income streams over and above those currently held.

This diversification is expected to strongly reduce the Company's risk profile.

(c) **Potential re-rating**

Following the implementation of the Proposal, the Company will own a digital technology platform with strong growth prospects. Over time the Company's net assets are expected to increase.

(d) **Maturing asset class**

The non-bank lending market continues to mature and gain market share away from the major four banks. As a result, the asset class is becoming increasingly accepted by institutional investors as an attractive investment which in turn should see more capital and opportunities arise for businesses like the Company.

(e) **Removal from the Official List**

Whilst the Directors are of the view that the acquisition of dealt is in the best interests of Shareholders, the Directors do not believe that dealt's current level of operations are appropriate for the Company to continue to be listed. The Directors believe that the continued growth and investment in the dealt business can be best pursued in a delisted environment and provide more flexibility for the Company to achieve liquidity scenarios in the future.

(f) **Reduced listing costs**

The Board considers that the financial, administrative and compliance costs of maintaining an ASX listing are no longer justified or are in the best interests of Shareholders given that a number of key benefits associated with listing of a company and quotation of its securities on a public market are no longer available to the Company. Furthermore, the savings arising from delisting could be better directed elsewhere to benefit Shareholders.

The Company estimates that its direct costs in remaining listed on ASX, including payment of ASX's prescribed annual listing fee, registry fees, insurances and costs of compliance with other formal requirements, to be in excess of \$200,000 per annum. This does not include the indirect costs incurred by the Company in maintaining its ASX listing, including the need to devote significant management time to listing-related compliance and administrative matters and the retention from time to time of external legal counsel in relation to such matters.

(g) **Continued Shareholder protections**

If the Company is removed from the Official List, and while the Company continues to have in excess of 100 shareholders, the Company will be an unlisted disclosing entity for the purposes of the Corporations Act. The Company will continue to have continuous disclosure obligations and Shareholders will continue to have the benefit of the continuous disclosure regime under section 675 of the Corporations Act. The Company will post the required information on its website, www.velocitypropertygroup.com.au. The Company considers it reasonable to assume that there will remain at least 100 shareholders following its removal from the Official List given it currently has over 1,000 shareholders.

The Company will also continue to be subject to obligations to prepare audited annual and half-yearly financial statements under Part 2M.3 of the Corporations Act and will be required to hold an AGM at least once each calendar year and within five months after the end of its financial year in accordance with section 250N of the Corporations Act.

Moreover, Shareholders will continue to receive the benefit of the protections under:

- Chapter 6 of the Corporations Act (for so long as the Company has 50 shareholders or more, but subject to the compulsory acquisition regime under Chapter 6 if any Shareholder's voting power in the Company exceeds 90% of the issued Shares in future); and
- the related party provisions in Chapter 2E of the Corporations Act with respect to any dealings between that Shareholder and the Company.

5. What are the disadvantages of the Proposal?

The Board has identified the following potential disadvantages of the implementation of the Proposal:

(a) **Slight reduction in NTA per Share**

The Company NTA per Share is expected to reduce on a pro forma basis after implementation of the Proposal. This reduction in NTA is a result of the dealt business acquisition including intangible assets (such as software & goodwill) recognised in relation to the implementation of the Proposal.

(b) **Business and investment risks**

The implementation of the Proposal involves business and investment risks which are summarised in section 7.

(c) **One-off costs**

In addition, there are one-off adviser costs in implementing the Proposal. These are estimated to be approximately \$130,000 net of recoverable GST. These costs are proposed be paid for out of the Company's cash reserves.

(d) **Shareholders' will no longer have the ability to sell Shares and realise their investment in the Company via the ASX**

After the Company is removed from the Official List, Shares will no longer be traded on ASX and Shares will only be capable of sale by an off-market private transaction in accordance with the Company's constitution. Therefore, the Shares are likely to be illiquid for an extended period.

(e) **The Company will not be able to raise capital from public listed equity capital markets**

After the Company is removed from the Official List, it will be unable to raise capital from public listed equity capital markets. Unlike a listed public company, an unlisted public company generally does not have the ability to raise capital from the issue of securities in reliance on a limited disclosure fundraising document. If the Company wishes to raise capital following its removal from the Official List, this will be by way of an offer of Shares pursuant to a full prospectus or by way of a placement to sophisticated and institutional investors (to whom such disclosure is not required). Any placement made by the Company as an unlisted company may involve the recipient of the placement being subject to a twelve month escrow period on trading of their shares or only on-selling to 'sophisticated' investors, which may be unattractive to some investors and deter them from investing in the Company.

(f) **Various requirements of the ASX Listing Rules will no longer apply**

The reduction of obligations associated with a listing on ASX may include relief from some reporting and disclosure requirements, removal of certain restrictions on the issue of Shares and certain restrictions on transactions with related parties (although these will still be governed by the Corporations Act), requirements concerning significant changes to the Company's activities and relief from requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage by some Shareholders, particularly minority Shareholders.

However, as explained in sections 4(g) and 11.7(d), the Company will be an unlisted 'disclosing entity' if it has more than 100 Shareholders, meaning that it will continue to have continuous disclosure obligations under the Corporations Act. The implications of the

Company being an unlisted 'disclosing entity' are further explained in sections 4(g) and 11.7(d) of this Explanatory Statement.

The Directors believe the removal from the Official List of the Company will not result in any substantial diminution of the protection for minority Shareholders afforded by the Corporations Act. Shareholders will still have the broad protections of the Corporations Act in relation to related party transactions, takeovers restrictions, financial reporting obligations and holding annual general meetings and an ability to bring an action under Chapter 2F.1. The Directors will still be subject to directors' duties under the Corporations Act, including to act in good faith in the best interests of the Company and for a proper purpose.

(g) **Summary**

The Board considers that the significant benefits provided by the Proposal outweigh the potential disadvantages describe above.

6. Key people

6.1 The Company

(a) Board

Tony Pitt

Non-executive Chair

Tony is a founding Director of 360 Capital Group and has worked in the property and property funds management industries for over 20 years. As Managing Director, Tony is responsible for the Group's investments, strategic direction and overall Group strategy. He has overseen the IPO on the ASX of three AREITs since 2012 as well as the creation of various unlisted funds, undertaken various corporate acquisitions and disposals, mergers and acquisitions and the ASX listing of 360 Capital Group.

Tony has formerly held numerous senior roles and directorships at Mirvac Group, James Fielding Group and Paladin Australia. He also held positions at Jones Lang LaSalle and CB Richard Ellis. He graduated from Curtin University with a Bachelor of Commerce (Property), has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia.

James Storey

Non-executive Director

James has 15 years' experience in real estate funds management with significant experience investing across debt, equity and corporate transactions. James was the Fund Manager of the 360 Capital Office Fund (ASX: TOF) and 360 Capital Industrial Fund (ASX: TIX) with a combined gross assets of over A\$1.1b and is currently the Head of Real Assets and Fund Manager of 360 Capital REIT (ASX:TOT). James also represents 360's interests as non-executive director of Velocity Property Group (ASX: VP7) and PMG Group, a New Zealand based real estate fund manager.

Philip Raff

Managing Director

Philip was appointed a founding director of Velocity Property Group Limited in 2015 and drove the ASX Listing in 2016. Between 2013 and 2015 he was instrumental in funding several private developments. This was preceded by a 20-year career in the IT industry implementing large IT Deployments and driving the associated Business Transformation for Gateway, IBM and Lenovo.

Philip has a Bachelor of Business Degree in Accounting from Central Queensland University and worked in a Chartered Accounting firm for several years before entering the IT industry.

Philip is a licensed Real Estate Agent in Singapore, where he lives with his wife and three children. He is also Treasurer of his daughters' gymnastics club.

(b) Management

Phillip Young

Chief Financial Officer

Phillip joined the Group in July 2016 as Chief Financial Officer and was appointed Company Secretary in August 2016. Prior to joining the Group, Phillip spent 13 years at Findex (formerly Crowe Horwath), a national mid-tier accounting firm. Phillip is a member of the Chartered Accountants of Australia & New Zealand and the Governance Institute of Australia.

Phillip holds a Bachelor of Business in Accounting and Information Systems from Central Queensland University as well as a Graduate Diploma of Chartered Accounting. He is also a current member of the Urban Development Institute of Australia (UDIA) Qld finance and Key Staff.

7. Material business risks

This section focuses on the major risks that could impact the Group assuming that the Proposal is approved and proceeds as intended.

It does not purport to be an exhaustive list of every risk that may be associated with an investment in the Group now or in the future.

The consequences associated with each risk are partially or completely outside the control of the Company and, if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, the Group.

7.1 Risks specific to the proposed business strategy and the Company

(a) Dependence on key personnel

The Company depends on the skills and experience of its staff and employees. With only a small number of employees, it is essential that appropriately skilled staff be available in sufficient numbers. The Company requires staff to have a variety of skills and expertise, some of which may be considered niche specialties in which there are limited practitioners available for recruitment. While the Company has initiatives to mitigate this risk, the loss of key staff may have a negative impact on the Company. The loss of key staff to a competitor may amplify this impact.

(b) Dilution

Potential capital raisings undertaken in future by the Group, may dilute the holdings of Shareholders.

(c) Dividends may vary

The ability of the Company to pay dividends is dependent upon the Company having sufficient cash resources, trading outlook and capital requirements of the Company. Given the early growth stage of deal, the Company is not expected to pay dividends in the short term.

(d) Liquidity risk

Investors should be aware there are certain risks associated with Shares not being listed on the ASX. On the basis that the Company will be removed from the Official List, there will be no active market to trade Shares and share liquidity will be limited to off market transfers. Whilst the Company will use reasonable endeavours to match potential buyers and sellers, there is a risk the Shareholders will be unable to sell their Shares off market, and the price at which they may have otherwise achieved for a sale of Shares may be sold at a discount. Shareholders who wish to sell their Shares may be unable to do so at a price acceptable to them.

(e) General fundamental exposures

Underlying risks in investments may include changes in Australian and international economic conditions, inflation, changes in interest rates, changes in equity market conditions, environmental concerns, regulatory/compliance issues, geopolitical instability or changes in investor sentiment.

(f) No operating performance history of the Group

The Company's proposed business strategy is a business with limited financial, operating or performance history. The information in this Booklet about the investment and growth strategy of the Company are not projections nor the result of any simulated future performance. There is a risk the Company's business objective will not be achieved.

(g) **Competitive landscape and action of others**

The Company will operate in a competitive landscape alongside other CRE debt brokers. In addition, the Group may face competition from new entrants into the CRE debt brokerage market from competitors that may have significant advantages including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential customers and greater financial, marketing and other resources.

If competitor product offerings are perceived to be superior to the Group's, or competitors are able to offer more competitive offers, the Company may lose existing or potential customers, which may materially adverse the performance of the Group.

(h) **Regulatory environment**

The Company may be exposed to changes in regulations and legislation in domestic and foreign markets which it participates including but not limited to accounting, investments and taxation. Any of these changes may adversely impact either the Company, the Company's investments or an investment in the Company.

7.2 **General investment risks**

(a) **Bribery, corruption, or other improper acts**

The Company, may incur fines or penalties, damage to its reputation or suffer other adverse consequences, if its directors, officers, employees, consultants, agents, service providers or business partners (as applicable) violate, or are alleged to have violated, anti-bribery and corruption laws in any of the jurisdictions in which it operates.

The Company cannot guarantee that its internal policies and controls will be effective in each case, to ensure that it is protected from reckless or criminal acts committed by its directors, officers, employees, consultants, agents, service providers or Company partners (as applicable) that would violate Australian laws or the laws of any other country in which the Company operates.

Any such improper actions could subject the Company, to civil or criminal investigations in Australia or overseas, could lead to substantial civil or criminal monetary and non-monetary penalties, and could damage the reputation of the Company. Even the allegation or appearance of improper or illegal actions could damage the reputation of the Company and result in significant expenditures in investigating and responding to such actions and may in turn have an adverse effect on future financial performance and position.

(b) **Litigation**

In the ordinary course of operations, the Company, may be involved in disputes and possible litigation. These may include but are not limited to, disputes in relation to contractual obligations and any legal claims or third-party losses. It is possible that a material or costly dispute, or litigation could affect the value of the assets or expected income of the Company, which may have an adverse effect on an investment in the Company.

(c) **Legal and regulatory matters**

There is the risk that changes in any law, regulation or government policy affecting the Company's operations (which may or may not have a retrospective effect) will have an effect on the asset portfolio and/or the Company's performance. This may include changes to taxation regimes.

(d) **Forward-looking statements**

There can be no guarantee that the assumptions and contingencies on which the forward-looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Company.

(e) **Tax rules**

There may be tax implications for Shareholders arising from investing in the Company, the receipt of dividends (if any) and capital returns from the Company, and on any disposal of Shares. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position. Resulting changes in tax arrangements in addition, future changes to other laws and regulations or accounting standards, which apply to the Group from time to time, could materially adversely affect the Company's future financial performance and position.

(f) **No guarantee in respect of investment**

The above list of risk factors should not be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance or position of the Company and the value of the Shares. The Shares carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may be able to be bought and sold.

8. Financial information

8.1 Introduction

The section contains a summary of the financial information of the Group, which includes:

- (a) the unaudited pro forma statement of financial position as at the date of this Booklet (Pro Forma Financial Information) (see section 8.2);
- (b) Directors' material assumptions used in the preparation of the Pro Forma Financial Information (see section 8.3);
- (c) capital structure of the Group on implementation of the Proposal (see section 8.4);
- (d) pro forma cash of the Group on implementation of the Proposal (see section 8.5);
and
- (e) significant accounting policies of the Group (see section 8.6).

The information in this section should also be read in conjunction with the risk factors set out in section 7 and other information contained in this Booklet.

8.2 Pro Forma Financial Information

The Pro Forma Financial Information set out below is unaudited and has been prepared to illustrate the financial position of the Group following completion of the implementation of the Proposal as if such events had occurred as at the date of this Booklet.

The Pro Forma Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Booklet or at the date of implementation of the Proposal.

The Pro Forma Historical Financial Information has been prepared in accordance with the principles and significant accounting policies set out in section 8.6.

Table 1 below highlights the pro forma statement of financial position if the Proposal is implemented.

Table 1: Summary Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2021.

\$'000s	Notes	Audited			Pro Forma
		30-Jun-21	DET material movement adjustments	Impact of the DSS Acquisition	30-Jun-21
Assets					
Cash and cash equivalents	1, 2	3,415	772	(2,080)	2,107
Trade and other receivables	1, 2	107	-	31	137
Inventories		5,859	(2,582)	-	3,277
Other		148	-	-	148
Total current assets		9,528	(1,810)	(2,049)	5,669
Investment properties		5,955	-	-	5,955
Property, plant and equipment		5	-	-	5
Goodwill	1, 3	-	-	2,671	2,671
Intangibles	1, 4	-	-	1,170	1,170
Total non-current assets		5,959	-	3,840	9,800
Total assets		15,488	(1,810)	1,791	15,469
Liabilities					
Trade and other payables	1	166	-	52	219
Borrowings	2	5,680	(965)	-	4,715
Employee benefits		48	-	-	48
Total current liabilities		5,895	(965)	52	4,982
Borrowings	2	3,760	(1,400)	-	2,360
Deferred tax	1	-	-	(132)	(132)
Total non-current liabilities		3,760	(1,400)	(132)	2,228
Total liabilities		9,655	(2,365)	(80)	7,210
Net assets		5,833	555	1,871	8,259
Equity					
Issued capital	1	15,951	-	1,970	17,920
Reserves		473	-	-	473
Retained profits / (accumulated losses)	2	(10,591)	555	(98)	(10,135)
Total equity		5,833	555	1,871	8,259

Notes:

- The impact of the acquisition of dealt is summarised below:

Cash and cash equivalents	48,948
Accounts Receivable and other current assets	30,663
Deferred taxes	132,176

Intangible assets	1,169,915
Trade payables and other current liabilities	(52,213)
Goodwill	2,670,511
dealt acquisition price	4,000,000
To be funded as follows:	
Shares in Dealt Limited (script issued)	(2,000,000)
Cash and cash equivalents	(2,000,000)
Total	(4,000,000)

The Company will also incur one off transaction costs of approximately \$130,000 for implementation of the Proposal.

2. The Company's material trading activities (i.e. property sales) post 30 June 2021 are summarised below:

Cash and cash equivalents	771,520
Reduction in inventory	2,581,660
Repayments of borrowings	2,364,775
Retained profits	554,635

Since 30 June 2021, the Company has settled the sale of the final townhouse at Parque on Oxford and executed an unconditional contract for the sale of an apartment at ONE Bulimba Riverfront.

No conditional sale contracts have been included in the pro forma financial statements. Refer to section 8.3 for additional information on these contracts.

3. Goodwill represents the excess of the consideration paid for the shares in dealt of \$4.0m above their net assets acquired.
4. Intangibles represents software, patents and trademark costs incurred by dealt for the establishment of the online platform for origination, underwriting, negotiation and execution of commercial real estate debt deals.

8.3 Directors' material assumptions in the preparation of the Pro Forma Financial Information

The Pro Forma Financial Information has been prepared by the Directors on the basis of the following assumptions:

(a) **Net realisable value of inventory**

Inventory is measured at the lower of cost or net realisable value. Independent third-party valuations were conducted in November 2020 across the Company's trading stock that resulted in adjustments to the net realisable value of inventory of approx. \$0.45m for the year ended 30 June 2021.

As at the date of this Booklet, the Directors have considered these valuations and based on current market assessments and sales rates have formed the opinion that no further adjustments to the fair value of inventory are required.

(b) **Fair value of investment properties**

The basis of the valuation of investment properties is fair value (less selling costs and GST if applicable). Independent third-party valuations for 90% of the Company's investment property portfolio were carried out in June 2021.

As at the date of this Booklet, the Directors have considered these valuations and based on current market assessments have formed the opinion that no further material adjustments to investment properties are required.

(c) **Acquisition of dealt**

After thorough due diligence by the Company's management team, the acquisition of dealt by the Company was conducted at arm's length and on commercial terms.

(d) **Fair value of intangibles**

The Directors have assessed the fair value of the intangibles acquired through the acquisition of dealt to be the cost recorded on dealt's balance sheet as at 30 June 2021 being \$1,169,915.

(e) **Conditional sale contracts**

As at the date of this booklet, no conditional sale contracts have been executed. As property sale contracts can be highly conditional, the Directors have decided not to include the material financial impacts in the pro forma financial information presented of any conditional sale contracts issued on or around the date of this booklet.

8.4 Pro Forma capital structure

Set out below is the anticipated capital structure of the Group on the implementation of the Proposal:

Shares currently on issue	11,389,937
New shares to be issued under the Proposal	4,000,000
Total shares on issue on completion	15,389,937

8.5 Pro Forma cash

Set out below is a reconciliation of the Pro Forma cash balance:

Audited 30 June 2021 balance	3,415,355
Transaction costs	(128,700)
dealt cash balance acquired	48,948
Material transactions post 30 June 2021	771,521
dealt acquisition (cash component)	(2,000,000)
30 June 2021 pro forma balance	2,107,124

8.6 Significant accounting policies

A summary of significant accounting policies that have been adopted in the preparation of the unaudited Pro Forma Financial Information set out in section 8.2, and which will be applied prospectively in the preparation of the financial statements of the Group for the financial year ending 30 June each year, is set out as follows.

Basis of preparation

The Pro Forma Financial Information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit entities. The financial information also complies with the International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The Pro Forma Financial Information is presented in an abbreviated form and does not contain all the disclosures, statements or comparative information required by the Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Pro Forma Financial Information has been prepared under the historical cost convention, except for, where applicable, the revaluation of investment properties or trading stock net realisable value when this value is lower than cost.

The preparation of the Pro Forma Financial Information requires the use of certain critical accounting estimates and for management to exercise its judgement in the process of applying the Company's accounting policies.

The accounting policies have been consistently applied throughout this Notice of Meeting and Explanatory Memorandum.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for transferring goods or services to a customer. Revenues are recognised net of the amount of associated GST unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of revenue.

Sale of properties

For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

This recognition is considered to be at settlement for the sale of the properties.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash at bank earns interest at fixed or variable rates based on the bank deposit rates.

Inventories accounting policy

Trading stock is measured at the lower of cost or net realisable value. Development costs include land, the costs of acquiring the land, consultants, holding and finance costs incurred from when the land is acquired until the project is fully developed and sold. These costs are only recognised as an expense in the period in which revenue is generated through the settlement of a project or sale of a property.

Deposits paid for the committed acquisition of trading stock are classified as trading stock.

Net realisable value of inventory

Net realisable value is based on the estimated selling price in the ordinary course of business (net of selling costs and GST). This assessment reflects current market assessments and previous experience. It is also based on management's intentions in the planned manner of the disposal of the asset, either through development and sale or disposal as is. The Company periodically assesses whether trading stock is held at the lower of cost or net realisable value with an estimate made at least at each reporting date. To assist with making the net realisable value estimate, independent third-party valuation reports will be commissioned where appropriate. Where the carrying amount of trading stock exceeds the net realisable value, a write-down to reduce its value to net realisable value is recorded.

Investment Properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Investment properties also include properties under construction for future use as investment properties. When an investment property is developed, costs include the cost of construction incurred up to the point where the asset is complete, which is the point at which it is capable of being operated as intended. Until completion, these are carried at the lower of fair value or cost.

Transfers are made to investment properties when and only when there is a change in use, evidenced by ending of owner occupation or a change of intention to hold the property for long-term rental and capital appreciation which is usually accompanied with an operating lease to another party.

Transfers are made from investment properties when, and only when there is a change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Upon completion or acquisition, thereafter the basis of the valuation of investment properties is fair value (less selling costs and any GST if applicable). Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration rental yields or returns on investment.

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	3-15 years
Office equipment	1-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Business combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

The gain or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Accounting policy for trade and other payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current. Where borrowings are required to be repaid out of specific property settlements, which are not available for redraw, the borrowings are classified as current to the extent settlements are projected to occur within 12 months from reporting date.

Issued Capital

Ordinary shares are classified as equity.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another; an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and comparison, where applicable, with external sources of data.

9. Corporate governance and Group policies

9.1 General

The Board has corporate governance and compliance obligations in relation to the Company under the Corporations Act and the ASX Listing Rules.

Responsibility for the Group's overall corporate governance will, however, rest with the Board.

The Group will adopt a governance framework, including relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for the Group's business and which are designed to promote the responsible management and conduct of the Group.

9.2 Corporate governance policies

The Company will adopt and report in a manner that is consistent with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

These policies and charters will be prepared with regard to the ASX Corporate Governance Principles and Recommendations.

- **Code of Conduct** – This policy will set out the standards of ethical behaviours and integrity that the Group expects of its officers and employees.
- **Continuous Disclosure** – The Group will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure that it discloses to the ASX any information concerning the Group which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

This policy will set out procedures and measures which are designed to ensure that the Group complies with its continuous disclosure obligations.

- **Risk Framework** – This framework is designed to assist the Group to identify, evaluate, monitor and manage risks affecting its business.
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of Group's internal controls and procedures and in particular to provide guidance to directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.
- **Continuous Disclosure Policy** – This policy sets out the practices which will be adopted to ensure effective and efficient communication with investors.
- **Diversity Policy** – This policy sets out objectives for achieving diversity amongst directors, executives and employees.

If the Proposal is implemented and the Company is removed from the Official List, the Board will amend its corporate governance policies and procedures to the extent these would no longer be applicable as a result of the delisting from ASX.

9.3 Compliance with ASX Corporate Governance Principles and Recommendations

In accordance with ASX Listing Rule 4.10.3 and Guidance Note 9, set out below are the ASX Corporate Governance Council's eight principals of corporate governance and the extent to which the Group will seek to comply with the recommendations for each.

Principle 1: Lay solid foundations for management and oversight

Roles and responsibilities of the board

The business of the Company will be managed under the direction of the Board comprising Mr Tony Pitt, Mr James Storey and Mr Philip Raff.

The Board will meet on a regular basis and each is required to discuss pertinent business developments and issues, including a review of the operations and performance of the Company.

Provision is made at each regular meeting for the consideration of critical compliance and risk management issues as they arise in relation to the relevant entity, and, at the meetings of the Board, generally as they relate to the Group.

The conduct of the Board will be governed by the Constitution and the Corporations Act.

The primary objectives of the Board will be to:

- set and review the strategic direction of the Group;
- approve and monitor key budgets, business plans, financial statements and financial policies;
- approve all material transactions;
- establish, promote and maintain proper processes and controls to maintain the integrity of financial accounting, financial records and reporting;
- develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management, and corporate governance and responsibility;
- ensure that Shareholders receive high quality, relevant, and accurate information in a timely manner;
- determine and adopt distribution policies.

Delegation of authority

The day-to-day activities of the Group are formally delegated by the Board to the Managing Director.

The Board's role is to monitor and measure these activities.

The Group may establish (and delegate powers to) Committees to assist carrying out functions effectively and efficiently. A charter will be adopted for each such Committee setting out the scope of its responsibility and relevant administrative and procedural arrangements.

Performance Reviews

The performance of all Directors of the Board and management of the Group are reviewed and assessed each year by the Board.

Principle 2: Structure the board to be effective and add value

Section 6 sets out full details of all of the directors of the Board.

The directors of the Board possess a range of skills which, as a group, enable the Board to discharge their obligations in relation to the Company.

The following table summarises the key skills:

Key Skills / Experience:

Financial Acumen	Governance and Regulatory Compliance
ASX Listed Entity Experience	Debt and Equity Markets
Industry Experience	Strategy Development
Funds Management / Financial Services	Investor Relations
Risk Management	Leadership and communication

To date, the Board has not established a nomination committee to facilitate the process of the appointment and reappointment of directors to the Board. The Board believes a separate nomination committee would not bring any additional efficiencies, transparency, focus or independent judgement needed on decisions regarding the composition of the Board. To enable the Board to discharge its duties and responsibilities effectively, at least once a year the Board will discuss matters regarding but not limited to:

- board succession planning generally;
- induction and continuing professional development programs for directors;
- the appointment and re-election of directors; and
- the process for recruiting a new director, including evaluating the appropriate balance of skills, knowledge, experience, independence and diversity.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

The Company will aspire to act lawfully, ethically and responsibly in accordance with the highest standards of honesty, integrity and fairness at all times.

The Company will adopt a number of policies, procedures and guidelines aimed at ensuring that anyone who is employed by or works in the Company complies with a set of guiding principles, consistent with the above values:

- Code of Conduct; this policy sets out minimum acceptable standards of behaviour.
- Whistle-blower Policy; this policy identifies an intolerance of any corrupt, illegal or other undesirable conduct by staff including the victimisation of any individual who intends to report or has reported such conduct as a protected disclosure in accordance with the policy.
- Anti-bribery Policy: this policy prohibits staff from engaging in activity that constitutes bribery or corruption, and provides guidelines as to what constitutes bribery or corruption and outlines reporting processes and procedures which ensure that breaches are escalated to the Board's immediate attention if and as required.

Principle 4: Safeguard integrity of corporate reports

The Group recognises the critical importance of accurate and timely reporting of financial information, performance and management of risk. The Board has established its own audit and risk committees which assist in fulfilling their duties in this respect.

The audit and risk committee established by the Board will also be responsible for the activities of the Group including:

- monitoring the establishment of an appropriate internal control framework, including information systems and its operation and considering enhancements;
- assessing corporate risk (including economic, environmental and social sustainability risks) and compliance with internal controls;
- reviewing reports on the adequacy of insurance coverage;
- monitoring compliance with relevant legislation and regulatory requirements (including continuous disclosure obligations);
- reviewing the nomination, performance and independence of the external auditors, including recommendations for the appointment or removal of any external auditor and the rotation of the audit engagement partner;
- any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
- reviewing financial statements and other financial information distributed externally and otherwise provide a true and fair view of the financial position and performance of the Group;
- reviewing management processes supporting external reporting, including the appropriateness of the accounting judgements of choices made by management in preparing the financial reports and statements; and
- preparing and recommending for approval by the Board, the corporate governance statement for inclusion in the annual report or any other public document.

Prior to the Board approving any financial statements in relation to the Group, the Chief Financial Officer of the Company will provide a declaration that, in their opinion, the financial records for that entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

ASX continuous disclosure requirements are included in the Continuous Disclosure Policy.

The policies reflect the Group's commitment to ensuring that all material information is immediately notified to the ASX for dissemination to the market in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The policies also set out the relevant procedures for internal updating.

Principle 6: Respect the rights of shareholders

The fundamentals underpinning the corporate governance ethos within the Group are that Shareholders should be able to hold the management to account for the Group's performance.

The Group will engage with its Shareholders to provide them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively.

The Board is committed to ensuring shareholders receive clear, concise and effective information on a timely basis and facilitates the delivery of financial services disclosures through existing and emerging electronic means.

As previously noted, the Group has adopted a Continuous Disclosure Policy.

Principle 7: Recognise and manage risk

As stated previously the Board has established an Audit and Risk Committee. Please refer to Principle 4 for further details.

The Group also has a Risk Management Program which outlines the process for identifying, monitoring and mitigating risks as well as generic sources of risk.

The Group is committed to acting responsibly and ethically and operating their businesses in a manner that is sustainable.

Principle 8: Remunerate fairly and responsibly

As noted at Principle 2, the Company does not have a remuneration committee at present. Executive and key management personnel remuneration and other terms of employment are reviewed annually, having regard to performance goals set at the start of the year, independent advice and industry market comparison reports.

10. Consideration of Financial Statements and Reports

The Corporations Act requires that the Financial Report, the Directors' Report, and the Independent Auditors Report of the Company (**Reports**) be laid before the AGM.

All Shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2022 on the Company's website at <https://velocitypropertygroup.com.au>.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act, nor the Company's Constitution, requires a vote of Shareholders of the Company at the AGM on the financial statements and Reports.

Following consideration of the Reports, the Chair will give Shareholders a reasonable opportunity to ask questions about, or comment on, the Reports and the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Company's auditor in relation to the conduct of the audit.

Written questions for the Company's auditor must be delivered by Thursday, 16 September 2021. Please send any written questions by email to info@velocitypropertygroup.com.au or post them to:

Dealt Limited
C/- Share Registry – Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001

11. Resolutions

11.1 Resolution 1 - Adoption of the Remuneration report

(a) General

Resolution 1 seeks Shareholder approval to adopt the Remuneration Report for the financial year ended 30 June 2021. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

(b) Section 250R(2) of the Corporations Act 2001 (Cth)

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and KMP (Remuneration Report) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Whilst Resolution 1 is advisory only and does not bind the Directors or the Company, the Board, and any committee if nominated by the Board, will take the outcome of this vote into account when considering future remuneration policy for non-executive Directors and executive KMP. If more than 25% of the votes cast on this Resolution are against the adoption of the Remuneration Report, the remuneration report for the following year must either address any comments received from Shareholders or explain why no action has been taken in response to those comments. If, at the following AGM, the remuneration report is again voted against by 25% or more of votes cast, a 'spill resolution' will be put to Shareholders. If at least 50% of the votes cast are in favour of the 'spill resolution' a special meeting of the Company will be held within 90 days at which the Directors in office at the time of the second AGM must resign and stand for re-election.

Shareholders can view the full Remuneration Report in the Annual Report which is available on the Company's website at <https://velocitypropertygroup.com.au>.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the policy of the Board in relation to the nature and level of remuneration paid to Directors and other KMP within the Dealt group;
- explains the structure of and rationale behind the Company's remuneration practices and the link between the policies of the Board and the Company's performance;
- sets out remuneration details for each Director and for each member of the KMP; and
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

11.2 Resolution 2 - Approval for director re-election

Resolution 2 seeks Shareholder approval to re-elect James Storey as Director of the Company, as under Listing Rule 14.5, if no director is due to stand for re-election the Company must select at least one of its existing directors to stand for re-election.

(a) ASX Listing Rule 14.5

An entity which has directors must hold an election of directors at each annual general meeting. This rule applies even where no director is required to stand for re-election at an annual general meeting. An entity must have at least one director stand for election or re-election at each annual general meeting. If no director is due to stand for re-election, the entity must select at least one of its existing directors to stand for re-election. Accordingly, James Storey stands for re-election.

11.3 Resolution 3 - Approval to the change of activities

(a) General

Resolution 3 seeks Shareholder approval to the change in nature and scale of activities of the Company.

If the Shareholders approve all of the Proposal Resolutions, the Group's business strategy will be changed to focus on commercial real estate debt as detailed in sections 3.2 and 3.3.

Under this strategy its business operations will become diversified across additional income streams (namely, loan referral and brokerage fees, across all commercial real estate asset debt classes in Australia).

The Group will not undertake any more residential property development and will dispose of its current residential property assets. Further detail in respect of the arrangements to dispose of its current business is set out in section 3.8.

(b) ASX Listing Rule 11.1

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

- provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that the Proposal constitutes both a significant change in the nature of the Company's activities as well as a significant change in the scale of the size of the Company. The ASX has also indicated that the Company will need to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. If the Proposal Resolutions are approved and the Proposal is implemented, the Company will not reapply for admission and otherwise comply with the requirements set out in Chapters 1 and 2 of the ASX Listing Rules. Notwithstanding this, the Company is seeking Shareholder approval to the nature and scale of its activities to comply with Listing Rule 11.1.

If the Proposal Resolutions are approved it is expected that the Shares will continue to be suspended from quotation until the Company has been removed from the Official List at a date determined by ASX. If the Resolutions are not approved, the Proposal will not proceed.

11.4 Resolution 4 - Approval of the Business Acquisition

(a) General

Resolution 4 seeks Shareholder approval of the Business Acquisition.

On 20 August 2020, the Company entered into a Share Sale Agreement to acquire all of the shares in dealt held by the current shareholders of dealt (the **dealt Share Sale Agreement**).

The previous Share Sale Agreement in respect of the Earlier Proposal terminated in accordance with its terms.

Further information in respect of dealt and its business is set out in section 3.4.

The material terms of the dealt Share Sale Agreement are set out below:

Term	Summary										
Buyer	The Company										
dealt Sellers and dealt Sale Shares	dealt Sellers	dealt Sale Shares									
	TT Investments Pty Limited ACN 098 158 028	84,500									
	Hold Co Pty. Ltd ACN 164 508 178	84,500									
	Glenn Butterworth	84,500									
	Amy Gillani	56,333									
	360 Capital Property Limited ACN 146 484 433	253,498									
Conditions	<p>Completion is conditional on:</p> <ul style="list-style-type: none"> Shareholders approving all of the Proposal Resolutions; and the ASX approving the Company's request to be removed from the Official List and the Company having satisfied all conditions imposed by ASX under Listing Rule 17.11 and Guidance Note 33 Removal of Entities from the Official List. <p>If the first condition is not satisfied by 31 October 2021 or the second condition is not satisfied by 30 November 2021, either party may terminate the agreement.</p>										
Sale and purchase	On completion, each dealt Seller must sell all of its dealt Sale Shares free from all encumbrances and the Buyer must buy all of the dealt Sale Shares.										
dealt Purchase Price	<p>\$4,000,000</p> <p>The Purchase Price payable to the dealt Sellers will be satisfied by the issue of Shares in the Company to the value of \$2,000,000 with the balance of the purchase price settled in cash. The number of Shares to be issued to each of the Sellers is an amount equal to a Seller's respective proportion of dealt Sale Shares multiplied by \$2,000,000 then divided by the issue price of Shares of \$0.50. In accordance with this formula, the dealt Sellers would be issued the following Shares:</p> <table border="1"> <tbody> <tr> <td>Amy Gillani</td> <td>400,000</td> </tr> <tr> <td>TT Investments Pty Limited</td> <td>600,000</td> </tr> <tr> <td>Hold Co Pty. Ltd</td> <td>600,000</td> </tr> <tr> <td>Glenn Butterworth</td> <td>600,000</td> </tr> <tr> <td>360 Capital Property Limited</td> <td>1,800,000</td> </tr> </tbody> </table>	Amy Gillani	400,000	TT Investments Pty Limited	600,000	Hold Co Pty. Ltd	600,000	Glenn Butterworth	600,000	360 Capital Property Limited	1,800,000
Amy Gillani	400,000										
TT Investments Pty Limited	600,000										
Hold Co Pty. Ltd	600,000										
Glenn Butterworth	600,000										
360 Capital Property Limited	1,800,000										
Completion	<p>Completion will occur 1 Business Day after the Company is removed from the Official List.</p> <p>On Completion, the Company will issue the relevant Shares in the Company to the dealt Sellers.</p>										
Warranties	Each dealt Seller provides several title and capacity warranties in respect of itself and the dealt Sale Shares held by it.										

	<p>Each dealt Seller provides several company warranties in respect of dealt. The warranties provided are usual for a share sale and include warranties in respect of:</p> <ul style="list-style-type: none"> • the accounts of dealt; • conduct of the business; • liabilities and financing arrangements; • contracts of dealt; • intellectual property; • no employees; • legal proceedings; • disclosure; and • tax.
Limitations	<p>A claim for any breach of a warranty are subject to usual limitations, including:</p> <ul style="list-style-type: none"> • a claim must be made within 12 months from completion occurring; • except for a claim arising out of a breach of a tax warranty or a title and capacity warranty, the minimum amount of any single claim must exceed \$40,000; • except for a claim arising out of a breach of a tax warranty or a title and capacity warranty, the minimum amount of claims in aggregate must exceed \$100,000; • except for a claim arising out of a breach of a tax warranty or a title and capacity warranty, the maximum aggregate amount that the Sellers are required to pay in respect of any warranty claims is an amount equal to 10% of the dealt Purchase Price; • the maximum aggregate amount that the Sellers are required to pay in respect of any claim arising out of a breach of a tax warranty or a title and capacity warranty is 100% of the dealt Purchase Price; and • the maximum aggregate amount that each dealt Seller is required to pay in respect of all claims whenever made is limited to that dealt Seller's respective proportion of the warranty caps referred to above.

If the Shareholders approve all of the Proposal Resolutions, the Company will complete the acquisition of dealt in accordance with the dealt Share Sale Agreement. If the Shareholders do not approve all of the Proposal Resolutions, the completion of the acquisition of dealt will not proceed.

(b) **ASX Listing Rule 10.1**

Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, the following persons, without obtaining approval from the holders of the entity's ordinary securities:

- a related party;
- a child entity;
- a substantial (10%+) holder;
- an associate of a person referred to above; or
- a person whose relationship to the entity or a person referred to above is such that, in ASX's opinion, the transaction should be approved by shareholders.

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

Each of the dealt Sellers are associates of a related party or substantial holder of the Company for the purposes of the ASX Listing Rules.

The total equity interests of the Company as at 30 June 2021 (as set out in the annual financial report – 30 June 2021 lodged with ASX on 24 August 2021, being the latest accounts given to ASX under the ASX Listing Rules), is \$5,832,821. 5% of the equity interests of the Company as at 30 June 2021 is therefore \$291,641.05.

As the value of the consideration for the dealt acquisition exceeds this amount, Listing Rule 10.1 is to apply to the proposed acquisition. The Company therefore is seeking Shareholder approval for the Proposed Acquisition to comply with Listing Rule 10.1.

For the purposes of Listing Rule 10.5, the following information is provided in relation to the proposed acquisition of dealt:

- the sellers of the dealt Sale Shares are TT Investments Pty Limited, Hold Co Pty. Ltd, Glenn Butterworth, Aryn Gillani and 360 Capital Property Limited;
- TT Investments Pty Limited is a vehicle controlled by Tony Pitt and Hold Co Pty. Ltd is a vehicle controlled by James Storey and those vehicles are associates of a related party (i.e. as both are Directors);
- Glenn Butterworth is Chief Financial Officer of 360 Capital Group and in respect of this matter he is an associate of the related parties, Tony Pitt and James Storey;
- Aryn Gillani, in respect of this matter, is an associate of the related parties Tony Pitt and James Storey;
- 360 Capital Property Limited (being wholly owned by 360 Capital Group) is an associate of a substantial holder (i.e. 360 Capital Shareholder);
- the assets being acquired are the dealt Sale Shares;
- the consideration for the acquisition of the dealt Sale Shares is the dealt Purchase Price (as set out in the table above);
- the acquisition of the dealt Sale Shares will be funded in part using the Company's cash reserves and by the issue of Shares as detailed above;
- if the conditions under the dealt Share Sale Agreement are satisfied, it is expected that the completion of the acquisition of the dealt Sale Shares will occur on the Business Day after the Company is removed from the Official List;
- a summary of the material terms of the dealt Share Sale Agreement is set out above.

Listing Rule 10.5.10 provides that the notice of meeting to obtain shareholder approval sought for the purpose of Listing Rule 10.1 must include a report on the Business Acquisition from an independent expert.

The Independent Expert's Report prepared by BDO Corporate Finance (East Coast) Pty Ltd sets out a detailed examination of the Business Acquisition to enable Shareholders to assess its merits. The Independent Expert has concluded that the Business Acquisitions are fair and reasonable to the Shareholders.

Shareholders are encouraged 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.

For the purposes of ASX Guidance Note 12, the Company confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of deal and is satisfied that the Business Acquisition is in the best interests of the Company and its Shareholders.

11.5 Resolution 5 - Approval of issue of Shares as Consideration

(a) General

Resolution 5 seeks Shareholder approval to the issue of 4,000,000 Shares to the dealt Sellers under the terms of the Business Acquisition.

If the Shareholders approve all of the Proposal Resolutions, the Company will complete the acquisition of deal in accordance with the dealt Share Sale Agreement and issue 4,000,000 Shares to the dealt Sellers.

(b) ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to

- a related party;
- a substantial (30%+) holder;
- a substantial (10%+) holder and who had nominated a director to the board of the entity;
- an associate of a person referred to above; or
- a person whose relationship with the entity or a person referred to above is such that is, in ASX's opinion, the issue should be approved by shareholders.

The dealt Sellers are respectively associates of a related party or substantial holder of the Company for the purposes of the ASX Listing Rules.

For the purposes of Listing Rule 10.13, the following information is provided in relation to the issue of up to 4,000,000 Shares to the dealt Sellers:

- the persons to be issued Shares are TT Investments Pty Limited, Hold Co Pty. Ltd, Glenn Butterworth and 360 Capital Property Limited;
- TT Investments Pty Limited is a vehicle controlled by Tony Pitt and Hold Co Pty. Ltd is a vehicle controlled by James Storey and those vehicles are associates of a related party (i.e. as both are Directors);
- Glenn Butterworth is Chief Financial Officer of 360 Capital Group and in respect of this matter he is an associate of the related parties, Tony Pitt and James Storey;
- Aryn Gillani, in respect of this matter, is an associate of the related parties Tony Pitt and James Storey;
- 360 Capital Property Limited (being wholly owned by 360 Capital Group) is an associate of a substantial holder (i.e. 360 Capital Shareholder);

- the number of Shares to be issued are:

Person	Number of Shares
Amyl Gillani	400,000
TT Investments Pty Limited	600,000
Hold Co Pty. Ltd	600,000
Glenn Butterworth	600,000
360 Capital Property Limited	1,800,000

- if the conditions under the dealt Share Sale Agreement are satisfied, it is expected that the completion of the acquisition of the dealt Sale Shares will occur on the Business Day after the Company is removed from the Official List;
- the issue price of Shares to be issued to the dealt Sellers is \$0.50;
- the purpose of the issue to satisfy the consideration for the acquisition of the dealt Sale Shares; and
- a summary of the material terms of the dealt Share Sale Agreement is set out above.

11.6 Resolution 6 – Approval of the increase in the 360 Capital Shareholder and its associates voting power in the Company

(a) General

Resolution 6 seeks Shareholder approval to the Company:

- issuing 600,000 Shares to TT Investments Pty Limited, 600,000 Shares to Hold Co Pty. Ltd and 1,800,000 Shares to 360 Capital Property Limited in consideration for the Company's acquisition of the shares in Digital Software Solutions Pty Ltd held by those persons on the terms and conditions set out in this Booklet; and
- the acquisition of a relevant interest in the relevant Shares by TT Investments Pty Limited, Hold Co Pty. Ltd and 360 Capital Property Limited that is otherwise prohibited by section 606(1) of the Corporations Act which, in addition to the 2,276,766 Shares held by the 360 Capital Shareholder, will result in the 360 Capital Shareholder and its associates voting power in the Company increasing from 19.99% to 34.3%.

(b) Section 611 (item 7) of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90% (**Section 606 Prohibition**).

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

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

- are the holder of the securities; or
- have power to exercise, or control the exercise of, a right to vote attached to securities; or
- have power to dispose of, or control the exercise of power to dispose of, the securities

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

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

As at the date of this Notice of Meeting, the 360 Capital Shareholder holds 2,276,766 Shares which gives it voting power in the Company of 19.99%.

For the purposes of the Corporations Act, TT Investments Pty Limited, Hold Co Pty. Ltd and 360 Capital Property Limited are each associates the 360 Capital Shareholder for the following reasons:

- Tony Pitt is a director of the 360 Capital Shareholder and he controls TT Investments Pty Limited;
- James Storey is a director of the 360 Capital Shareholder and he controls Hold Co Pty. Ltd; and
- 360 Capital Property Limited is a related body corporate of the 360 Capital Shareholder.

It follows that the above persons are restricted from acquiring a relevant interest in Shares unless the relevant acquisition is approved in accordance with section 611 (item 7) of the Corporations Act. It should be noted that the other dealt Sellers, Aryn Gillani and Glenn Butterworth, are not associates of the 360 Capital Shareholder for the purposes of the Corporations Act.

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

- **Explanation of the reasons for the proposed acquisition**

Please refer to section 4 of this Booklet.

- **When the proposed acquisition is to occur.**

Please refer to section 11.4 of this Booklet.

- **The material terms of the proposed acquisition**

Please refer to section 11.4 of this Booklet.

- **Identity of the person proposing to make the acquisition and their associates**

The Company proposed to issue:

- 600,000 Shares to TT Investments Pty Limited (a vehicle controlled by Tony Pitt);

- 600,000 Shares to Hold Co Pty. Ltd (a vehicle controlled by James Storey);
- 1,800,000 Shares to 360 Capital Property Limited (related body corporate of the 360 Capital Shareholder);

in consideration for the Company's acquisition of the shares in Digital Software Solutions Pty Ltd held by those persons on the terms and conditions set out in the Booklet.

- **Maximum extent of the increase of the 360 Capital Shareholder and its associates in the voting power in the Company**

The Company currently has 11,389,937 Shares on issue. Upon the issue of Shares in relation to the Company's acquisition of deal, the Company will have 15,389,937 Shares on issue. The maximum extent of the increase in the 360 Capital Shareholder's and its associates' voting power in the Company is 34.3% as illustrated in the following table:

	Current position	Position upon the issue of the Shares in relation to the Company's acquisition of deal
Number of Shares on issue	11,389,937	15,389,937
Number of Shares owned by the 360 Capital Shareholder	2,276,766	2,276,766
Number of Shares owned by associates	0	3,000,000
The 360 Capital Shareholder and its associates' voting power	19.9%	34.3%

- **Voting power the 360 Capital Shareholder and its associates would have as a result of the acquisition and the maximum extent of the increase in the voting power of each associate that would result from the acquisition**

The 360 Capital Shareholder and its associates will have an aggregate voting power in the Company of 34.3% as a result of the issue of the Shares in respect of the Company's acquisition of deal.

The table below sets out the separate voting power of the 360 Capital Shareholder and its associates as a result of the acquisition:

Shareholder	Voting power
360 Capital Shareholder	14.8%
TT Investments Pty Limited	3.9%
Hold Co Pty. Ltd	3.9%
360 Capital Property Limited	11.7%

- **The identity, associations and qualifications of any person who it is intended will become a director if Shareholders approve this Resolution**

The 360 Capital Shareholder and its associates will not seek to appoint any additional director to the Board if the issue of the Shares in respect of the Company's acquisition of dealt is approved.

- **A statement of the 360 Capital Shareholder's and its associates' intentions regarding the future of the Company if members approve this acquisition**

Except as set out below, the 360 Capital Shareholder and its associates do not currently have:

- (i) any intention to change the business of the Company other than as contemplated by the Proposal;
- (ii) any intention to inject further capital into the Company;
- (iii) any intentions regarding the future employment of present employees or consultants of the Company;
- (iv) any proposal where assets will be transferred between the Company and any of them or any of their associates; or
- (v) any intention to otherwise redeploy the fixed assets of the Company.

Philip Raff is currently engaged by the Company as a consultant. Whilst Mr Raff has no role with 360 Capital Group as at the date of this Notice of Meeting, the parties have discussed potential roles and Mr Raff may be engaged by 360 Capital Group in the future on terms to be agreed.

- **Any intention of the 360 Capital Shareholder and its associates to significantly change the financial or dividend distribution policies of the Company**

The 360 Capital Shareholder and its associates do not have any intention in this respect.

- **The interest that any Director has in the acquisition or any relevant agreement**

The Directors (other than Tony Pitt and James Storey) do not have an interest in Resolution 6.

- **Recommendation of each Director as to whether Shareholders should approve the Resolution**

The Directors recommend each Shareholder approve this Resolution 6.

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

The Directors consider that:

- (i) the circumstances of the acquisition is "fair" if the value of the consideration provided is equal to or greater than the value of the securities that are the subject of the consideration. The 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; and

- (ii) the circumstances of the acquisition is considered to be "reasonable" if it is "fair".

With reference to the Company's current circumstances, the Directors consider the circumstances of the acquisition to be fair and reasonable within the meaning set out above.

The Corporations Act requires shareholders approving a section 611 (item 7) of the Corporations Act resolution to be provided with all material information in relation to the proposed transaction. ASIC requires an entity to commission an independent expert's report or, if it has the expertise, a director's report to the same standard, in order to discharge the information disclosure requirements imposed upon it by the Corporations Act.

The Independent Expert's Report prepared by BDO Corporate Finance (East Coast) Pty Ltd sets out a detailed examination of the circumstances in relation to the 360 Shareholder's increase in voting power of the Company. The Independent Expert has concluded that the relevant circumstances are fair and reasonable to the Shareholders.

Shareholders are encouraged 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.

11.7 Resolution 7 - Approval of removal from the Official List

(a) General

Resolution 7 seeks Shareholder approval to remove the Company from the Official List.

(b) ASX Listing Rule 17.11

On Monday, 16 August 2021 ASX confirmed its agreement for the Company to be removed from the Official List subject to the Company complying with certain conditions under Listing Rule 17.11 and Guidance Note 33 *Removal of Entities from the Official List (Approval)*:

- the Company's removal from the Official List of ASX is approved by a special resolution of Shareholders of the Company;
- the Booklet seeking Shareholder approval for the Company's removal from the Official List must include a statement, in form and substance, satisfactory to ASX, setting out that the:
 - (i) Company's removal from the Official List is to take place no earlier than the business day after approval is granted;
 - (ii) time and date at which the Company will be removed from the Official List if that approval is given;
 - (iii) details of the processes that will exist after the Company is removed from the Official List to allow the remaining Shareholders to dispose of their holdings and how they can access those processes;
 - (iv) information prescribed under section 2.11 of ASX Guidance Note 33 is to ASX's satisfaction; and
- full terms of this decision is to be released to the market following approval of the Company's formal application to ASX to remove the Company from the Official List. (together, the **ASX Conditions**).

In accordance with first point of the above ASX Conditions, the resolution to be put at the Meeting seeks Shareholder approval (as a special resolution) to remove the Company from the Official List on a date to be decided by the ASX.

In accordance with the second point of the above ASX Conditions, the statements required to be made in the Notice of Meeting is set out in this Explanatory Statement.

In accordance with the third point of the above ASX Conditions, the full terms of the ASX Conditions were released to the market on 18 August 2021.

The Board considers that it is in the best interests of the Company and its Shareholders for the Company to be removed from the Official List for the reasons set out in this Explanatory Statement.

Removal of the Company from the Official List has certain advantages for Shareholders as set out in section 4 and certain disadvantages as set out in section 5 of this Explanatory Statement.

Shareholders who are uncertain as to what action to take should seek guidance from their professional advisers. In particular, Shareholders should seek appropriate legal, financial and tax advice about the potential impacts of holding shares in a company that is not listed on ASX.

(c) Consequences of removal from the Official List

If Shareholders approve the Proposal Resolutions, the Company will be removed from the Official List on a date to be decided by the ASX (**Removal Date**). The proposed timetable for the removal of the Company from the Official List (and assuming Resolution 7 is passed by Shareholders at the Meeting) is:

Event	Date
Booklet released	Tuesday, 24 August 2021
Annual General Meeting	Thursday, 23 September 2021 at 1:00pm AEST
Results of AGM announced on ASX	Thursday, 23 September 2021
Completion of removal of the Company from the Official List	Friday, 24 September 2021

*Dates and times subject to change by the Company or ASX

Upon the delisting taking effect, Shares in the Company will no longer be quoted or traded on ASX and Shareholders will only be able to sell their Shares via off-market private transactions in accordance with the Company's constitution (which will require Shareholders to identify and agree terms with potential purchasers of Shares).

Shareholders who wish to sell their Shares after the Company is delisted will need to find a buyer for their Shares and complete a standard off-market share transfer form and provide it to the Company's share registry for processing.

The Company is not proposing that any buy-back or other facility is put in place at this time to provide other liquidity options to Shareholders. The Directors, however, will continue to review liquidity options in the future having regard to capital adequacy requirements of the Company.

(d) Section 675 and Part 2M.3 of the Corporations Act

Whilst the Company continues to have in excess of 100 Shareholders after delisting, the Company will be an unlisted disclosing entity for the purposes of the Corporations Act and

Shareholders will continue to have the benefit of the continuous disclosure regime under section 675 of the Corporations Act.

The Company will also continue to be subject to obligations to prepare audited annual and half-yearly financial statements under Part 2M.3 of the Corporations Act and will be required to hold an AGM at least once each calendar year and within five months after the end of its financial year in accordance with section 250N of the Corporations Act. Moreover, Shareholders will continue to receive the benefit of the protections under Chapter 6 of the Corporations Act (for so long as the Company has 50 shareholders or more, but subject to the compulsory acquisition regime under Chapter 6 if any Shareholder's voting power in the Company exceeds 90% of the issued Shares in future) and the related party provisions in Chapter 2E of the Corporations Act with respect to any dealings between that Shareholder and the Company.

The Company anticipates that following its removal from the Official List it will amend its corporate governance policies and procedures to the extent these would no longer be applicable as a result of the delisting from ASX. However, as an unlisted disclosing entity which is subject to continuous disclosure obligations, corporate governance policies and procedures will be retained or adapted consistent with the Company's unlisted status and requirements.

(e) Part 2F.1 Shareholder remedy

Sections 232 through 235 of the Act provide that a court may make a number of orders that can affect the conduct of the Company upon application from a Shareholder or previous Shareholder. The application must allege that the conduct of the Company is contrary to the interests of the Shareholders as a whole or oppressive, unfairly prejudicial or discriminatory to a member or members. Should the court determine that the conduct is oppressive, it may make any order it considers appropriate to remedy or eliminate the oppression.

Relief under these sections is not available merely because the Shareholder disagrees with the decision of the Company or is dissatisfied with their own position. Oppression in this circumstance has been previously considered by courts to connote a lack of probity and fair dealing, something that is burdensome, harsh or wrongful, or is inequitable or unjust, or exhibits commercial unfairness.

(f) Part 6.10 Division 2 Subdivision B Shareholder remedy

Section 657A of the Act gives the Takeovers Panel (**Panel**) the power to declare circumstances in relation to the affairs of a company to be unacceptable. Shareholders may make an application to the Panel for a declaration of unacceptable circumstances under section 657C(2)(d) of the Act.

Where circumstances are declared unacceptable, the Panel has broad powers to make orders to correct the unacceptable circumstances as quickly and as cost effectively as possible.

A Takeovers Panel decision has indicated that the Panel is willing to consider whether a delisting gives rise to unacceptable circumstances where the process of delisting has or is likely to have an effect on the control or the acquisition of a substantial interest in a listed company, and appears inconsistent with the purposes set out in section 602 of the Act. Those purposes are to ensure that conduct with respect to the Company occurs in an efficient, competitive and informed market.

11.8 Resolution 8 - Approval of Change of Name

(a) General

Resolution 8 seeks Shareholder approval to change the name of the Company from 'Dealt Limited' to:

- if all of Resolutions 3 - 7 are approved by Shareholders, 'Dealt Holdings Limited';

- if all of Resolutions 3 - 7 are not approved by Shareholders, 'Velocity Property Group Limited'

If Resolution 8 is passed, the change in name will be effective on and from the AGM.

(b) **Section 157 of the Corporations Act**

Section 157 of the Corporations Act provides that to change its name, the Company must pass a special resolution adopting the new name. Accordingly, Shareholders are requested to approve the change of name for the purposes of the Corporations Act.

12. Additional information

12.1 The Company is a disclosing entity

The Company is currently a listed disclosing entity for the purposes of the Corporations Act and, therefore, it is subject to regular reporting and disclosure obligations.

Specifically, like all listed entities, the Company is required to continuously disclose to the market any information of which it is aware that a reasonable person would expect to have a material effect on the price or the value of Shares.

Copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- the most recent annual financial statements lodged with ASIC by the Company for the year ended 30 June 2021;
- all continuous disclosure notices given by the Company after the lodgement of its annual financial statements with ASIC for the year ended 30 June 2021.

Requests for free copies of these documents may be made by contacting the Share Registry – Boardroom Pty Limited on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia) between 8.30 am and 5.00 pm AEST on Business Days.

In addition, copies of all documents lodged with the ASX in relation to the Company can be inspected at the registered office of the Company during normal business hours. The Company's website at www.velocitypropertygroup.com.au also includes a wide range of information on the Company (including copies of the above documents) and its activities.

As discussed in sections 11.7(d) 4(g) of this Explanatory Note, if the proposal is implemented and the Company continues to have in excess of 100 Shareholders, the Company will be an unlisted disclosing entity and subject to the obligations under sections 675, 250N and Part 2M.3 of the Corporations Act. Moreover, Shareholders will continue to receive the benefits of protections under Chapters 6 and 2E of the Corporations Act, provided the Company meet certain requirements under those Chapters. See sections 11.7(d) 4(g) of this Explanatory Note for further details.

12.2 Litigation and claims

As far as the Board is aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Group is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of the Group.

12.3 Interests of the Directors, experts and advisers

The Company has appointed legal, accounting, tax and financial advisers to assist it in connection with the Proposal. Each adviser is entitled to receive their professional fees in accordance with either time-based or fixed fee basis.

Other than as set out below or elsewhere in this Booklet, no:

- director of the Company;
- person named in this Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Booklet; or

- promoter of the Company,

in relation to the Proposal, has, or had within 2 years before the date of this Booklet, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Proposal; and

no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director or otherwise for services rendered by him or her in connection with the formation or promotion of the Proposal.

Clayton Utz has acted as legal advisor to the Company in connection with the Proposal. The Company has paid or agreed to pay approximately \$74,000 (plus GST) for these services to the date of this Booklet. Further amounts may be paid to Clayton Utz in accordance with its agreed fee arrangements.

The Independent Expert has prepared the Independent Expert's Report. The Company has agreed to pay approximately \$32,000 (plus GST) for these services to the date of this Booklet. Further amounts may be paid to BDO Corporate Finance (East Coast) in accordance with its agreed fee arrangements.

Set out below is a table which indicates the Shares held by the Directors (or their associates) as at the date of preparation of this Booklet:

Director	Number of Shares
Tony Pitt	0
James Storey	0
Philip Raff	1,051,177 Philip Raff also has a beneficial interest in 5,715 Shares registered in the name of KR Williams Pty Ltd atf KR Williams Super Fund

The 360 Capital Shareholder is an associate of Tony Pitt and James Storey and holds 2,276,766 Shares.

12.4 Consents

Each of the parties named in the table below as a consenting party:

- has given and has not, before the date of this Booklet, withdrawn its written consent to be named in this Booklet in the form and context in which it is named;
- has given and has not, before the date of this Booklet, withdrawn its written consent to the inclusion of their respective statements and reports (where applicable) noted next to their names below, and the references to those statements and reports in the form and context in which they are included in this Booklet;
- does not make, or purport to make, any statement in this Booklet other than those statements referred to below in respect of that party's name (and consented to by that party); and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Booklet.

Consenting party	Named as	Statement
Clayton Utz	Named in the Corporate Directory as Legal Adviser to the Company.	Clayton Utz makes no statements in this Booklet and no statement is included in this Booklet based on any statement made by Clayton Utz.
BDO Corporate Finance (East Coast)	Independent Expert	The Independent Expert's Report relates to certain aspects of the Proposal.
Crowe Audit Australia	Company auditor.	Crowe makes no statements in this Booklet and no statement is included in this Booklet based on any statement made by Crowe Audit Australia (other than references to financial statements having been audited).
Boardroom Pty Limited	Named in the Corporate Directory as the share registry for the Company.	Boardroom Pty Limited has had no involvement in the preparation of this Booklet or in relation to the Proposal other than consenting to being named as Share Registrar.

Other than as disclosed above, none of these firms and companies has caused or authorised the issue of this Booklet or have in any way been involved in the implementation of the Proposal.

12.5 Related party transactions

The Proposal may involve a number of related party transactions.

In summary:

- the dealt Sellers will sell their dealt Sale Shares to the Company - see section 11.4 for further information;
- the Company will issue 4,000,000 Shares to the dealt Sellers in accordance with the dealt Share Sale Agreement - see sections 11.4 and 11.5 for further information;
- as at the date of this Booklet, the 360 Capital Shareholder holds 19.99% of the issued Shares. Post completion of the Proposal, the 360 Capital Shareholder and its associates will hold 34.3% of the issued Shares;
- as set out in section 6, Tony Pitt is a non-executive Director of the Company and Managing Director of 360 Capital Group; and
- as set out in section 6, James Storey is a non-executive Director of the Company and is also Head of Real Assets at 360 Capital Group.

As detailed in section 9, in respect of managing any conflict of interest that arise, the Company has developed systems for monitoring and addressing any potential conflicts.

The Board believes that, whilst certain of the matters identified above may constitute related party transactions, the relevant terms are reasonable in the circumstances as the relevant persons have been dealing at arm's length and hence these matters do not require approval under Chapter 2E of the Corporations Act.

12.6 Lodgement with ASIC

The Company has lodged with ASIC a copy of this Booklet in accordance with section 611(7) of the Corporations Act.

12.7 Further information

Further information about the Company is available in electronic form from the Company website: www.velocitypropertygroup.com.au.

13. Glossary

In this Booklet, the following terms have the meanings shown.

360 Capital	360 Capital Group Limited ACN 113 569 136 (ASX: TGP).
360 Capital Shareholder	TGP TOT JV Pty Limited ACN 618 476 681.
AGM	The Annual General Meeting of Shareholders convened to consider the Resolutions as detailed in the Notice of Meeting.
AEST	Australian Eastern Standard Time.
APRA	Australian Prudential Regulation Authority.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited as operator of the Australian Securities Exchange or the Australian Securities Exchange, as the context requires.
ASX Listing Rules	The official Listing Rules of the ASX.
ATO	The Australian Taxation Office.
Board	The board of directors of the Company.
Business Acquisition	The business acquisition contemplated by Resolution 4 (see sections 3.3 and 11.4).
Business Day	A business day for the purposes of the ASX Listing Rules.
Company	Dealt Limited ABN 66 605 935 153.
CHESS	Clearing House Electronic Sub-register System.
Corporations Act	The Corporations Act 2001 (Cth).
Constitution	The current constitution of the Company.
dealt	Digital Software Solutions Pty Ltd trading as dealt
dealt Share Sale Agreement	The meaning given in section 11.4(a).
dealt Sale Shares	The meaning given in section 11.4(a).
dealt Sellers	The meaning given in section 11.4(a).
Directors	The directors of the Company.
Dollars or \$	Australian dollars.
Explanatory Memorandum	This Explanatory Memorandum.
Group Entity	The Company or any of its subsidiaries.
Group	The Company and its subsidiaries.
Independent Board Committee or IBC	The independent committee established by the Board for the purposes of assessing the related party aspects of the Proposal.

Independent Expert	BDO Corporate Finance (East Coast) Pty Ltd ACN 050 038 170.
Independent Expert's Report	The independent expert's report set out in Annexure B.
Notice of Meeting	The Notice of Meeting accompanying this Booklet.
NTA	Net tangible assets.
Official List	The Official List of the ASX.
Pro Forma Financial Information	The unaudited pro forma statement of financial position as at the date of this Booklet (see section 8.2)
Proxy Form	The Proxy Form enclosed with this Booklet that can be used by Shareholders to appoint a proxy for the AGM.
Registry	Boardroom Pty Limited ACN 003 209 836.
Proposal	The proposal described in the Booklet.
Proposal Resolutions	Resolutions 3 - 7 to be put to the Shareholders at the AGM in relation to the Proposal and as referred to in the Notice of Meeting.
Resolutions	All resolutions to be put to the Shareholders at the AGM in relation to the Proposal and as referred to in the Notice of Meeting.
Share	An ordinary fully paid share in the Company.
Shareholder	The holder of a Share.

Annexure A Notice of Meeting

DEALT LIMITED

ABN 66 605 935 153

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual general meeting (**AGM**) of the holders of ordinary shares (**Shares**) of Dealt Limited (**Company**) will be held online at:

Date: Thursday, 23 September 2021

Time: 1:00pm AEST

Online: Shareholders wishing to participate in the AGM may do so:

1. From their computer, by entering the URL into their browser:
<https://web.lumiagm.com/306103207>
2. From their mobile device by either entering the URL in their browser:
<https://web.lumiagm.com/306103207> or
3. Using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

Please log into the AGM by entering the following details:

1. Meeting ID: <##>
2. Your Login ID, which is located on your proxy form or on your notification email.
3. Your postcode, which is the postcode registered to your holding if you are an Australian shareholder or your country code if you are an overseas shareholder.

Due to COVID-19 restrictions, we request that all Shareholders who want to attend this AGM do so virtually via the online link above. There will be no physical meeting.

Attending the Meeting online enables Shareholders to view the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress.

ITEMS OF BUSINESS

The business of the AGM is to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

CONSIDERATION OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 30 June 2021.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2021, as set out in the Directors' Report, be adopted."

Note: The Remuneration Report is contained in the 2021 Annual Report (available at <https://velocitypropertygroup.com.au>). Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth), the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

Corporations Act 2001 (Cth)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity), by or on behalf of, the following persons:

- a member of the Key Management Personnel (KMP) whose remuneration details are included in the 2021 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls)

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the Resolution; or
- the vote is cast by the chair of the Meeting and the appointment of the chair as proxy;
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The terms 'Key Management Personnel' and 'closely related party' have the same meanings as set out in the Corporations Act.

RESOLUTION 2: APPROVAL OF RELECTION OF DIRECTOR

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

"To re-elect as a Director of the Company James Storey who, being a Director of the Company, retires and, being eligible, offers himself for re-election."

RESOLUTION 3: APPROVAL OF CHANGE OF ACTIVITIES

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

"That, for the purposes of ASX Listing Rule 11.1 and for all other purposes, the change in nature and scale of activities of the Company described in the Explanatory Memorandum be approved."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- the counterparties to the dealt Share Sale Agreement and any other counterparty to the transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of Shares); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the chair to vote on Resolution 3 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:
 - (i) 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 3; and
 - (ii) the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4: APPROVAL OF BUSINESS ACQUISITION

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

"That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the acquisition by the Company of the shares in Digital Software Solutions Pty Ltd trading as dealt on the terms described in the Explanatory Memorandum be approved."

Independent Expert's Report

The Independent Expert's Report from BDO Corporate Finance (East Coast) Pty Ltd considers the Business Acquisition aspect of the Proposal (see Annexure B). The Independent Expert has concluded that the Business Acquisition is fair and reasonable to Shareholders.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- the sellers under the dealt Share Sale Agreement and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of Shares); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the chair to vote on Resolution 4 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:
 - (i) 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 4; and
 - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5: APPROVAL OF ISSUE OF SHARES AS CONSIDERATION

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 4,000,000 Shares to the dealt Sellers in consideration for the Company's acquisition of the certain shares Digital Software Solutions Pty Ltd on the terms described in the Explanatory Memorandum be approved."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- the dealt Sellers and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares); or
- any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the chair to vote on Resolution 5 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:
 - (i) 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 5; and
 - (ii) the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6: APPROVAL OF THE INCREASE IN THE 360 CAPITAL SHAREHOLDER AND ITS ASSOCIATES VOTING POWER IN THE COMPANY

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

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

- (a) the issue of 600,000 Shares to TT Investments Pty Limited, 600,000 Shares to Hold Co Pty. Ltd and 1,800,000 Shares to 360 Capital Property Limited in consideration for the Company's acquisition of the shares in Digital Software Solutions Pty Ltd held by those persons on the terms and conditions set out in the Explanatory Statement; and*
- (b) the acquisition of a relevant interest in the relevant Shares by TT Investments Pty Limited, Hold Co Pty. Ltd and 360 Capital Property Limited that is otherwise prohibited by section 606(1) of the Corporation Act which, in addition to the 2,276,766 Shares held by the 360 Capital Shareholder, will result in the 360 Capital Shareholder and its associates voting power in the Company increasing from 19.99% to 34.3%.*

Independent Expert's Report

The Independent Expert's Report from BDO Corporate Finance (East Coast) Pty Ltd considers the circumstances in relation to the 360 Shareholder's increase in voting power of the Company (see Annexure B). The Independent Expert has concluded that the relevant circumstances are fair and reasonable to Shareholders.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of the 360 Capital Shareholder and its associates:

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the chair to vote on Resolution 6 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:
 - (i) 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 6; and
 - (ii) the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7: APPROVAL OF REMOVAL FROM THE OFFICIAL LIST

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

"That, for all purposes, the removal of the Company from the Official List of ASX be approved."

RESOLUTION 8: APPROVAL OF CHANGE OF NAME

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

"That, for the purposes of section 157 of the Corporations Act, if all of Resolutions 3 – 7;

- *are approved by Shareholders, approval is given to change the name of the Company from 'Dealt Limited' to 'Dealt Holdings Limited'*
- *are not approved by Shareholders, approval is given to change the name of the Company from 'Dealt Limited' to 'Velocity Property Group Limited'*

with effect on and from the date of the AGM".

INTERDEPENDENT RESOLUTIONS

Each of the Resolutions 3 - 7 are conditional upon the approval by Shareholders of each of those Resolutions. If any of Resolutions 3 - 7 are not approved by Shareholders, all of those Resolutions will fail and the Proposal will not occur.

IMPORTANT NOTES

REFER TO THE EXPLANATORY MEMORANDUM

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum accompanying this Notice of Meeting.

The Explanatory Memorandum contains an explanation of the Resolutions and detailed information about the Proposal. To enable you to make an informed decision as to how to vote on each of the Resolutions, please carefully read the Explanatory Memorandum. The Board unanimously recommends that Shareholders should vote in favour of all of the Proposal Resolutions.

The Explanatory Memorandum has been prepared to provide Shareholders with sufficient information to assess the merits of the Proposal and the Proposal Resolutions. You should read the Explanatory Memorandum in full before making any decisions in relation to the Resolutions.

DEFINED TERMS AND THE GLOSSARY

Terms used in this Notice of Meeting which begin with an uppercase letter have the meaning given in the Glossary to the Booklet.

QUORUM

The Constitution provides that two Shareholders present personally or by representative, attorney or proxy shall be a quorum for the AGM.

REQUIRED VOTING THRESHOLDS

The vote on the Resolutions will be conducted by way of a poll. On a poll, Shareholders have one vote for each Share held.

Resolution 1 is a non-binding ordinary resolution and will be passed if more than 50% of the votes cast on the relevant resolution are in favour.

Resolutions 2 - 6 are ordinary resolutions and will be passed if more than 50% of the votes cast on the relevant resolutions are in favour.

Resolutions 7 and 8 are special resolutions and will be passed if more than 75% of the votes cast on the relevant resolutions are in favour.

VOTING INSTRUCTIONS

Voting entitlement

Persons holding Shares at 1:00pm AEST on Wednesday, 22 September 2021 will, for the purposes of determining voting entitlements at the AGM, be taken to be Shareholders.

How to vote

Shareholders may vote by attending the meeting online, by proxy or by authorised representative.

Proxies and authorised representatives

A Shareholder who is entitled to attend and vote at the AGM has the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder.

Shareholders holding two or more Shares can appoint either one or two proxies. Where two proxies are appointed, the appointing Shareholder can specify the number of votes or the proportion of the Shareholder's votes they want each proxy to exercise. If no number or proportion is specified, each proxy may exercise half of the Shareholder's votes. Neither proxy may vote on a show of hands.

Corporate Shareholders must provide the Company with satisfactory evidence of the appointment of any corporate representative, prior to the commencement of the AGM.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the AGM.

The Chair of the AGM is deemed to be appointed if a signed proxy is returned which does not contain the name of a proxy. In addition, if you direct your proxy how to vote and your nominated proxy does not attend the AGM, or attends but does not vote, on a poll on a resolution, the Chair of the AGM will act in place of the nominated proxy and vote in accordance with any instructions.

A proxy form and a reply paid envelope are enclosed with this Notice of Meeting. If you wish to appoint two proxies, please obtain an additional form from the Company's Share Registry or make a photocopy of the enclosed proxy form. To be effective, a duly completed proxy form and the power of attorney (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received at the Company's Share Registry or at the Company's registered office at least 48 hours before the start of the AGM Thursday, 23 September 2021 at 1:00pm AEST.

Under clause 16.14 of the Constitution, a person who has satisfied the Directors not less than 48 hours before the AGM that the person is entitled to a Share by operation of law, may exercise all rights attached to the Share in relation to the AGM, as if the person were the registered holder of the Share.

Proxies may be returned as follows:

By mail or in person to:

Boardroom Pty Limited:

By mail:

Share Registry – Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001

In person:

Share Registry – Boardroom Pty Limited,
Level 12
225 George Street
Sydney NSW 2000* During business hours (Monday to Friday, 9:00am–5:00pm)

By facsimile to:

+61 2 9290 9655

Online at:

To use this facility please follow the instructions on your enclosed proxy form.

Undirected proxies

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each item by marking either "For", "Against" or "Abstain" against each item of business on the Proxy Form. If in respect of any of the items of business against which you do not direct your proxy how to vote, you are authorising your proxy to vote as they decide.

If the Chair of the AGM is your proxy, you can direct the Chair how to vote on each item by marking either "For", "Against" or "Abstain" against each item of business on the Proxy Form. However, if the Chair is

your proxy and you do not mark any of the boxes opposite the Resolutions, then by signing and returning the proxy form you will be expressly authorising the Chair to vote as he sees fit in respect of the relevant Resolution. The Chair intends to vote available undirected proxies in favour of all Resolutions.

How to vote

Shareholders may vote by attending the meeting online, by proxy or by authorised representative.

Voting of jointly held Shares

Clause 4.1(c) of the Constitution provides that if two or more joint holders purport to vote, the vote of the joint holder whose name appears first in the Register will be accepted, to the exclusion of the other joint holder or holders.

Attendance

This is a virtual meeting and can only be attended online.

Appointment of Chair

Under clause 16.8 of the Constitution, the Chair of the Board is to be the Chair of the AGM. Failing him, another person appointed by the Board of directors will act as Chair of the AGM.

By order of the Board of directors.

Phillip Young
Company Secretary
24 August 2021

Corporate Directory

Directors

Tony Pitt
Philip Raff
James Storey

Company Secretary

Phillip Young

Principal and Registered Office

Level 16, 120 Edward Street
Brisbane, Qld, 4000

Legal Adviser

Clayton Utz

Auditors

Crowe Audit Australia

Share Registrar

Boardroom Pty Limited

Annexure B Independent Expert's Report



INDEPENDENT EXPERT REPORT

DEALT LIMITED

In relation to the issue of shares to 360 Capital Group Limited

3 August 2021

FINANCIAL SERVICES GUIDE

Dated: 3 August 2021

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd ('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: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us approximately \$15,000 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

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

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

SUMMARY OF FINDINGS

The Directors
Dealt Limited
Level 14, 167 Eagle Street
Brisbane QLD 4000

3 August 2021

Dear Directors

INDEPENDENT EXPERT REPORT IN RELATION TO THE ISSUE OF SHARES TO 360 CAPITAL GROUP LIMITED

1. INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDOCF**, **we**, **us** or **our**) has been engaged by the independent directors (**Directors**) of Dealt Limited (**Dealt** or the **Company**) to prepare an independent expert report (**Report** or **IER**) in connection with the proposed acquisition of 100% of the issued capital in Digital Software Solutions Pty Ltd (**DSS**) from related parties, in exchange for shares and cash consideration (**Proposed Transaction**). This Report sets out our opinion as to whether the Proposed Transaction, which if approved will result in the shareholding of 360 Capital Group Limited (**360 Capital**) and its associated entities (together, **360 Capital Group**) in Dealt increasing from below 20% to above 20%, is fair and reasonable to the non-associated shareholders of Dealt (the **Shareholders**).

1.1. Overview of the Proposed Transaction

Dealt is an Australian boutique property development company that develops multi-unit apartment and mixed commercial developments in Queensland. DSS is a financial technology company that has developed an online real estate platform/ brokerage business. Dealt seeks to acquire DSS in the Proposed Transaction and repurpose the Company's operations to solely be an online marketplace/ brokerage for commercial real estate loans.

The \$4m consideration offered to acquire DSS will be settled by the issue of 4,000,000 shares at an issue price of \$0.50 to the value of \$2m, and \$2m in cash, paid to the following vendors:

- ▶ 360 Capital Property Limited, a member of the 360 Capital Group, a substantial shareholder of Dealt;
- ▶ TT Investments Pty Limited, a vehicle controlled by Tony Pitt, an associate of 360 Capital and the Chairman and Non-Executive Director of Dealt;
- ▶ Hold Co Pty Ltd, a vehicle controlled by James Storey, a Non-Executive Director of Dealt
- ▶ Mr Glenn Butterworth; and
- ▶ Mr Aryn Gillani, CEO and Founder of Talos Digital LLC (**Talos**)

together, the **Transaction Consideration**.

The issue of shares in the Company, in consideration for the acquisition of DSS, will increase the shareholding and voting power of 360 Capital and its associated entities from 19.99% to 34.3%.

The Proposed Transaction is subject to a number of conditions precedent including, but not limited to, Shareholders approving the Proposed Transaction and the issuance of an interest resulting in 360 Capital Groups' interest in the Company increasing from less than 20% to more than 20%.

The Directors have commissioned this IER for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 10.1, and ASIC Regulatory Guide 74. This Report sets out our opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated Shareholders.

Full detail of the Proposed Transaction are set out in the Notice of Meeting (**Transaction Document**) prepared by Dealt.

2. PURPOSE

If the Proposed Transaction is approved, 360 Capital Group's shareholding and voting power will increase from below 20% to above 20%, and Dealt will acquire a substantial asset from 360 Capital and its associated entities which are related parties. BDOCF has been appointed by the Directors of Dealt to prepare an IER in accordance with Section 611, item 7 of the Corporations Act and ASX Listing Rule 10.1.

2.1. Section 611 of the Corporations Act

If the Proposed Transaction proceeds, 360 Capital Group will increase its voting power in Dealt from below 20% to more than 20%.

Section 611 of the Corporations Act expressly prohibits transactions that result in a person or entity that, with their associates, increases their voting power from:

- ▶ 20% or below to more than 20%; or
- ▶ a point that is above 20% to below 90%,

without making a full takeover offer to all shareholders or otherwise falling within another exception (such as shareholder approval under Item 7 of Section 611 of the Act).

Item 7 of Section 611 of the Corporations Act provides an exception to the prohibition on the basis that the acquisition is approved by resolution at a general meeting. RG 74 issued by ASIC sets out the obligation to supply shareholders with all information that is material by either:

- ▶ the directors undertaking a detailed examination of the proposal themselves, if they consider that they have sufficient expertise; or
- ▶ by commissioning an independent expert report.

2.2. ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires a substantial asset from a related party, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the latest published accounts.

Listing Rule 10.1 applies to the Proposed Transaction as the vendors of DSS are associates of a related party or substantial holder of Dealt, and as noted in the Transaction Document, the value of Transaction Consideration exceeds 5% of the equity interests of Dealt as at 30 June 2021 (\$291,641.05). Dealt is therefore seeking Shareholder approval for the Proposed Transaction to comply with Listing Rule 10.1. For the purposes of Listing Rule 10.5, the following information, as noted in the Transaction Document, is provided in relation to the Proposed Transaction:

- ▶ the sellers of the DSS shares are TT Investments Pty Limited, Hold Co Pty. Ltd, Glenn Butterworth, Aryn Gillani and 360 Capital Property Limited;
- ▶ TT Investments Pty Limited is a vehicle controlled by Tony Pitt and Hold Co Pty. Ltd is a vehicle controlled by James Storey and those vehicles are associates of a related party (ie. as both are Directors);
- ▶ Glenn Butterworth is Chief Financial Officer of 360 Capital Group and in respect of this matter he is an associate of the related parties, Tony Pitt and James Storey;
- ▶ Aryn Gillani, in respect of this matter, is an associated of the related parties Tony Pitt and James Storey; and
- ▶ 360 Capital Property Limited (being wholly owned by 360 Capital Group) is an associate of a substantial holder (ie. 360 Capital Shareholder).

ASX Listing Rule 10.10.2 requires the Transaction Document for Shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded, being the shareholders who are not associated with 360 Capital Group.

3. APPROACH

In preparing our IER, we have considered the requirements of:

- ▶ Section 611 of the Corporations Act;
- ▶ ASX Listing Rule 10.1;
- ▶ ASIC Regulatory Guide 111 Content of expert reports (RG 111);

- ▶ ASIC Regulatory Guide 112 Independence of experts (RG 112);
- ▶ RG 76 Related party transactions; and
- ▶ Accounting Professional & Ethical Standards Board (APESB) professional standard APES 225 'Valuation Services' (APES 225).

RG 111 establishes guidelines in respect of independent expert reports under the Corporations Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness.

This engagement is a Valuation Engagement as defined by APES 225.

3.1. Fairness

RG 111.11 states that an offer in a control transaction is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.

RG 111.58 states that a related party transaction is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

These comparisons 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.

Based on our interpretation of RG111, section 611 of the Corporations Act requires a higher hurdle than ASX Listing Rule 10.1, therefore this Report focuses on the comparison of:

- ▶ the fair market value (FMV) of a Dealt share pre-transaction on a control basis (being the value of the securities the subject of the offer per RG 111.11); and
- ▶ the FMV of a Dealt share post-transaction on a minority basis (being the offer price or consideration per RG111.11).

The Proposed Transaction is fair if the FMV of a Dealt share post-transaction on a minority basis is equal to or greater than the FMV of a Dealt share pre-transaction on a control basis.

3.2. Reasonableness

In accordance with RG111, an offer is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

When deciding whether a transaction is 'reasonable', factors an expert might consider under paragraph 13 of RG111 include:

- ▶ the bidder's pre-existing voting power in securities in the target;
- ▶ other significant security holding blocks in the target;
- ▶ the liquidity of the market in the target's securities;
- ▶ taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- ▶ any special value of the target to the bidder;
- ▶ the likely market price if the offer is unsuccessful; and
- ▶ the value to an alternative bidder and likelihood of an alternative offer being made.

4. SUMMARY OF OPINION

We have concluded that the Proposed Transaction is fair and reasonable to Shareholders.

A summary of our analysis in forming the above opinion is provided below. This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

In undertaking our assessment of fairness, we have had regard to the ASIC RG 111.

The Proposed Transaction will be fair if the FMV of a Dealt share post-transaction on a minority basis is equal to or greater than the FMV of a Dealt share pre-transaction on a control basis.

4.1. Fairness Assessment

Our analysis has been performed by comparing the value of:

- ▶ a Dealt share pre-transaction on a control basis; and
- ▶ a Dealt share post-transaction on a minority basis.

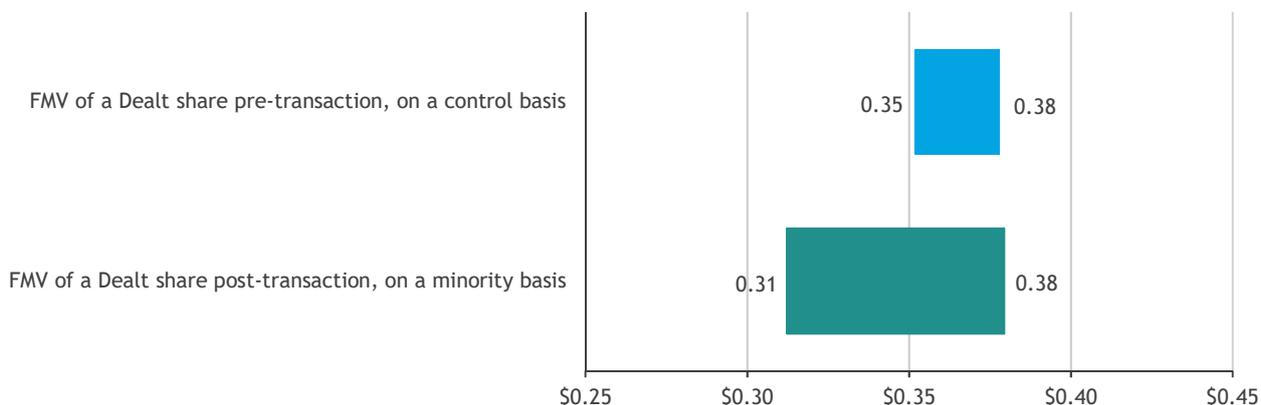
The result of our fairness analysis is summarised in the following table.

Table 1: Fairness assessment

\$	Low	Mid	High
FMV of a Dealt share pre-transaction, on a control basis	0.35	0.37	0.38
FMV of a Dealt share post-transaction, on a minority basis	0.31	0.35	0.38

Source: BDOCF analysis

Figure 1: Fairness assessment



Source: BDOCF analysis

Based on the above, the FMV of a Dealt share after the Proposed Transaction, on a minority basis, is in line with the value of a Dealt share prior to the Proposed Transaction, on a control basis. The Proposed Transaction is therefore fair to the Shareholders.

4.2. Reasonableness Conclusion

In accordance with RG 111 an offer is reasonable if it is fair. On this basis, the Proposed Transaction is reasonable to the Shareholders.

Nevertheless, we have set out a summary of other factors we consider relevant in assisting Shareholders in deciding whether or not to vote in favour of the Proposed Transaction in the following table.

Table 2: Summary of factors considered in the reasonableness assessment

Advantages	
The Proposed Transaction is fair	Based on our fairness assessment, the FMV of a Dealt share after the Proposed Transaction, on a minority basis, is above the value of a Dealt share prior to the Proposed Transaction, on a control basis. The Proposed Transaction is therefore fair to the Shareholders.
The value of DSS is greater than the financial benefit to be paid	As noted in Section 8.4 of this IER, the fair value of the asset to be acquired (\$3.5m to \$4.5m) is greater than the fair value of the financial benefit to be paid (\$3.2m to \$3.4m).
The acquisition of DSS provides a new strategic direction for the operations of Dealt	Dealt seeks to acquire DSS in the Proposed Transaction and repurpose the Company's operations to be an online marketplace/ brokerage for commercial real estate loans, and over time pursue acquisitions of other early-stage technology companies. The DSS platform continues to grow with 42 suitable deals introduced to the platform from 1 March 2021 to 31 July 2021. The Company may not be able to continue operating or repurpose the Company without this acquisition.

Table 2: Summary of factors considered in the reasonableness assessment (cont'd)

Advantages (cont'd)	
Ability to leverage 360 Capital Group's expertise	The combined group comprising Dealt and DSS may be able to leverage off the experience of the 360 Capital Group.
Increase in size and scale of Dealt	If the Proposed Transaction is approved, there will be approximately 15.4 million shares on issue, a 35% increase in Dealt shares outstanding.
Disadvantages	
Shareholders' investment profile will change as a result of the Proposed Transaction	<p>Dealt shareholders will be exposed to different risk profiles if the Proposed Transaction is approved. Dealt is a residential property company that is involved in the development and sale of residential properties. The Company is not currently developing any properties, and has planned to dispose of its remaining development sites in an orderly manner and explore an alternative business strategy. In contrast, DSS is a financial technology company that has developed an online real estate loan origination platform.</p> <p>As a result of the above, Dealt shareholders may not wish to be exposed to the adjusted risk profile of the enlarged group following the Proposed Transaction.</p>
Dealt shares will be removed from the ASX	<p>If the Proposed Transaction is approved, the Company will be delisted and removed from the Official List. Whilst this will result in reduced listing costs, and various requirements of the ASX Listing Rules will no longer apply, Shareholders will no longer have the ability to sell shares and realise their investment in the Company via the ASX. The Company will not be able to raise capital from public listed equity capital market.</p> <p>Before the shares are removed from the ASX, the suspension of the Company's shares will be lifted, providing Shareholders with the opportunity to trade their shares on the ASX for a two week period.</p> <p>We note that in the absence of an alternative transaction, it is likely that Dealt will remain suspended, and the value of Dealt shares will continue to diminish as the Company continues to incur operating costs of c. \$1.2m per annum.</p>
Early stage nature of DSS	DSS is an e-commerce, start-up company in the financial technology space. The acquisition of DSS increases the overall risk profile of Dealt shares.
Controlling shareholder	If the Proposed Transaction is approved, the 360 Capital Group and its associates will have a voting power in Dealt of 34.3%. With this shareholding, the 360 Capital Group will be able to significantly influence and control the direction of the business.
Other considerations	
Future of Dealt if the Proposed Transaction is rejected	If the Proposed Transaction is rejected by Shareholders, the Company will undertake a further review that may include an orderly sale of the Company assets and ultimately winding up and distribution of remaining assets to Dealt shareholders, or exploration of a possible takeover.

Source: BDOCF analysis

Based on the above analysis, we consider the Proposed Transaction to be reasonable to Shareholders for the following key reasons:

- ▶ The fair value of the asset to be acquired (DSS) exceeds the fair value of the financial benefit to be paid, therefore the acquisition of DSS is fair and reasonable for the purposes of ASX Listing Rule 10.1.
- ▶ The DSS platform continues to grow with 42 suitable deals introduced to the platform from 1 March 2021 to 31 July 2021. The acquisition of DSS will enable Dealt to continue operating with a new strategic direction.

5. SUMMARY OF OPINION

We have considered the terms of the Proposed Transaction, as outlined in the Report, and have concluded that the Proposed Transaction is fair and reasonable.

6. OTHER MATTERS

6.1. Previously issued draft opinion

BDOCF released a full draft copy of this report to the Directors of Dealt on 15 June 2021. Our conclusion in the report dated 15 June 2021 was that the Proposed Transaction was not fair but reasonable.

Our conclusion in this IER was amended to be fair and reasonable due to the following two factors:

- ▶ The reported net assets fell from \$6.1m as at 31 May 2021 to \$5.8m as at 30 June 2021; and
- ▶ The proportion of the Transaction Consideration paid in shares was reduced from 90% to 50%.

6.2. Previous engagements

BDOCF has previously been engaged by the 360 Capital Group to provide a limited scope valuation of the shares in DSS. The DSS business at the time of the limited scope valuation was substantially less developed than the current business. We have previously valued share based payments for the 360 Capital Group.

BDOCF has previously prepared an IER for Velocity Property Group Limited dated 22 December 2020 in relation to the:

- ▶ proposed acquisition of shares of Digital Software Solutions Pty Ltd and AMF Finance Pty Ltd from 360 Capital Group Limited;
- ▶ proposed Investment Management Agreement with 360 Capital FM Limited;
- ▶ proposed Responsible Entity Fee with 360 Capital FM Limited; and
- ▶ proposed Financial Advisory Fee with Cambridge Investment Partners Pty Limited.

In our opinion, none of these previous engagements have impacted our independence.

6.3. Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDOCF has not considered the effect of the Proposed Transaction on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from that adopted in this IER. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances.

The decision of an individual shareholder in relation to the Proposed Transaction may be influenced by their particular circumstances and accordingly the Shareholders are advised to seek their own independent advice.

Approval or rejection of the Proposed Transaction is a matter for individual Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Transaction Document. The Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

6.4. General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert, when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated by those persons affected by the Proposed Transaction. In preparing the IER we considered ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- ▶ particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the past, between BDO Group Holdings Limited or BDOCF and any of the parties to the Proposed Transaction;
- ▶ the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- ▶ that we have relied on information provided by the Directors and Management of Dealt (**Management**) and 360 Capital Group (**360 Management**) and that we have not carried out any form of audit or independent verification of the information; and
- ▶ that we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

6.5. Current market conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in the light of material information existing at the valuation date that subsequently becomes known to us.

6.6. Glossary

Capitalised terms used in this IER have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out in **Appendix 1**.

6.7. Sources of information

Appendix 2 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by Dealt.

Under the terms of our engagement, Dealt has agreed to indemnify BDOCF and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

6.8. Limitations

This IER has been prepared at the request of the Directors for the sole benefit of the Directors and the Shareholders to assist them in their decision to approve or reject the Proposed Transaction. This IER is to accompany the Transaction Document to be sent to the Shareholders to consider the Proposed Transaction and was not prepared for any other purpose.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this IER.

This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER within the Transaction Document. Apart from this IER, we are not responsible for the contents of the Transaction Document or any other document associated with the Proposed Transaction. We acknowledge that this IER may be lodged with regulatory authorities.

6.9. Summary

This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

6.10. Financial Service Guide

BDOCF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. A financial services guide is attached to this IER.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD



David McCourt
Director



Sebastian Stevens
Director



INDEPENDENT EXPERT REPORT

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1. PURPOSE AND BACKGROUND

1.1. Purpose

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDOCF**, **we**, **us** or **our**) has been engaged by the independent directors (**Directors**) of Dealt Limited (**Dealt** or the **Company**) to prepare an independent expert report (**Report** or **IER**) in connection with the proposed acquisition of 100% of the issued capital in Digital Software Solutions Pty Ltd (**DSS**) from related parties, in exchange for shares and cash consideration (**Proposed Transaction**). This Report sets out our opinion as to whether the Proposed Transaction, which if approved will result in the shareholding of 360 Capital Group Limited (**360 Capital**) and its associated entities (together, **360 Capital Group**) in Dealt increasing from below 20% to above 20%, is fair and reasonable to the non-associated shareholders of Dealt (the **Shareholders**).

This IER is to accompany the Transaction Document to be provided to Shareholders in connection with the Proposed Transaction. It has been prepared to assist and enable Shareholders to assess the merits of the Proposed Transaction, and to decide whether to approve the transaction.

A summary of the background to the terms of the Proposed Transaction is set out below.

1.2. Overview of the Proposed Transaction

Dealt is an Australian boutique property development company that develops multi-unit apartment and mixed commercial developments in Queensland. DSS is a financial technology company that has developed an online real estate platform/ brokerage business. Dealt seeks to acquire DSS in the Proposed Transaction and repurpose the Company's operations to solely be an online marketplace/ brokerage for commercial real estate loans.

The \$4m consideration offered to acquire DSS will be settled by the issue of 4,000,000 shares at an issue price of \$0.50 to the value of \$2m, and \$2m in cash, paid to the following vendors:

- ▶ 360 Capital Property Limited, a member of the 360 Capital Group, a substantial shareholder of Dealt;
- ▶ TT Investments Pty Limited, a vehicle controlled by Tony Pitt, an associate of 360 Capital and the Chairman and Non-Executive Director of Dealt;
- ▶ Hold Co Pty Ltd, a vehicle controlled by James Storey, a Non-Executive Director of Dealt
- ▶ Mr Glenn Butterworth; and
- ▶ Mr Aryn Gillani, CEO and Founder of Talos Digital LLC (**Talos**)

together, the **Transaction Consideration**.

The issue of shares in the Company, in consideration for the acquisition of DSS, will increase the shareholding and voting power of 360 Capital and its associated entities from 19.99% to 34.3%.

The Proposed Transaction is subject to a number of conditions precedent including, but not limited to, Shareholders approving the Proposed Transaction and the issuance of an interest resulting in 360 Capital Groups' interest in the Company increasing from less than 20% to more than 20%.

The Directors have commissioned this IER for the purposes of item 7 of section 611 of the Corporations Act, ASX Listing Rule 10.1 and ASIC Regulatory Guide 74. This Report sets out our opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated Shareholders.

Full detail of the Proposed Transaction are set out in the Notice of Meeting (**Transaction Document**) prepared by Dealt.

2. SCOPE AND LIMITATIONS

2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Proposed Transaction is fair and reasonable to the Shareholders has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved determining the fair market value of various securities, assets and liabilities. For the purposes of our opinion, the term fair market value is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

2.2. Summary of regulatory requirements

This Report has been prepared for the purposes of Section 611, item 7 of the Corporations Act and ASX Listing Rule 10.1.

If the Proposed Transaction proceeds, 360 Capital Group will increase its voting power in Dealt from below 20% to more than 20%.

Section 611 of the Corporations Act expressly prohibits transactions that result in a person or entity that, with their associates, increases their voting power from:

- ▶ 20% or below to more than 20%; or
- ▶ a point that is above 20% to below 90%,

without making a full takeover offer to all shareholders or otherwise falling within another exception (such as shareholder approval under Item 7 of Section 611 of the Act).

Item 7 of Section 611 of the Corporations Act provides an exception to the prohibition on the basis that the acquisition is approved by resolution at a general meeting. RG 74 issued by ASIC sets out the obligation to supply shareholders with all information that is material by either:

- ▶ the directors undertaking a detailed examination of the proposal themselves, if they consider that they have sufficient expertise; or
- ▶ by commissioning an independent expert report.

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires a substantial asset from a related party, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the latest published accounts.

Listing Rule 10.1 applies to the Proposed Transaction as the vendors of DSS are associates of a related party or substantial holder of Dealt, and as noted in the Transaction Document, the value of Transaction Consideration exceeds 5% of the equity interests of Dealt as at 30 June 2021 (\$291,641.05). Dealt is therefore seeking Shareholder approval for the Proposed Transaction to comply with Listing Rule 10.1. For the purposes of Listing Rule 10.5, the following information, as noted in the Transaction Document, is provided in relation to the Proposed Transaction:

- ▶ the sellers of the DSS shares are TT Investments Pty Limited, Hold Co Pty. Ltd, Glenn Butterworth, Aryn Gillani and 360 Capital Property Limited;
- ▶ TT Investments Pty Limited is a vehicle controlled by Tony Pitt and Hold Co Pty. Ltd is a vehicle controlled by James Storey and those vehicles are associates of a related party (ie. as both are Directors);
- ▶ Glenn Butterworth is Chief Financial Officer of 360 Capital Group and in respect of this matter he is an associate of the related parties, Tony Pitt and James Storey;
- ▶ Aryn Gillani, in respect of this matter, is an associated of the related parties Tony Pitt and James Storey; and
- ▶ 360 Capital Property Limited (being wholly owned by 360 Capital Group) is an associate of a substantial holder (ie. 360 Capital Shareholder).

ASX Listing Rule 10.10.2 requires the Transaction Document for Shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded, being the shareholders who are not associated with 360 Capital Group.

Accordingly, an independent experts' report is required for the Proposed Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to the non-associated Shareholders.

In preparing our IER, we have considered the requirements of:

- ▶ Section 611 of the Corporations Act;
- ▶ ASX Listing Rule 10.1;
- ▶ RG 111 Content of expert reports;
- ▶ RG 112 Independence of experts;
- ▶ RG 76 Related party transactions; and
- ▶ Accounting Professional & Ethical Standards Board (APESB) professional standard APES 225 'Valuation Services' (APES 225).

2.3. Basis of assessment

In determining whether the Proposed Transaction is fair and reasonable to the Shareholders, we have had regard to:

- ▶ RG 111 'Content of expert reports'
- ▶ RG 112 'Independence of experts'

RG 111 establishes two distinct criteria for an expert analysing a control transaction. The tests are:

- ▶ Is the offer ‘fair’?
- ▶ Is it ‘reasonable’?

The terms fair and reasonable are regarded as separate elements and are not regarded as a compound phrase.

2.4. Fairness

RG 111 paragraph 11 states that an offer in a control transaction is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The 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; and
- ▶ 100% ownership of the target company, irrespective of whether the consideration is scrip or cash and irrespective of the percentage holding of the bidder or its associates in the target company.

RG 111.57 states that a related party transaction is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. In the case of the Proposed Transaction, we have considered the financial benefit to be provided as \$4m paid via the issuance of shares and cash, together defined earlier as the Transaction Consideration. The assets being acquired by Dealt are 100% of the issued capital in DSS.

Based on our interpretation of RG111, section 611 of the Corporations Act requires a higher hurdle than ASX Listing Rule 10.1, therefore this Report focuses on the comparison of:

- ▶ the fair market value (FMV) of a Dealt share pre-transaction on a control basis (being the value of the securities the subject of the offer per RG 111.11); and
- ▶ the FMV of a Dealt share post-transaction on a minority basis (being the offer price or consideration per RG111.11).

The Proposed Transaction is fair if the FMV of a Dealt share post-transaction on a minority basis is equal to or greater than the FMV of a Dealt share pre-transaction on a control basis.

2.5. Reasonableness

In accordance with RG 111, an offer is ‘reasonable’ if it is ‘fair’. An offer could be considered ‘reasonable’ if there are valid reasons to approve it notwithstanding that it may not be regarded as ‘fair’.

RG 111.13 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer, including:

- ▶ the bidder’s pre-existing voting power in securities in the target;
- ▶ other significant security holding blocks in the target;
- ▶ the liquidity of the market in the target’s securities;
- ▶ taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- ▶ any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc.;
- ▶ the likely market price if the offer is unsuccessful; and
- ▶ the value to an alternative bidder and likelihood of an alternative offer being made.

2.6. General requirements in relation to the IER

In preparing the IER ASIC requires the independent expert, when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Proposed Transaction. In preparing the IER we considered the necessary legal requirements and guidance of the Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- ▶ particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO Group Holdings Limited or BDOCF and any of the parties to the Proposed Transaction;
- ▶ the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- ▶ that we have relied on information provided by the Directors and Management of Dealt and that we have not carried out any form of audit or independent verification of the information provided; and

- ▶ that we have received representations from the Directors and Management of Dealt in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.7. Special value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the FMV. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of FMV as it relates to the individual circumstances of special purchasers.

2.8. Reliance on information

This IER is based upon financial and other information provided by the Directors, Management and other representatives of Dealt. We have also been provided with information directly by representatives of Dealt. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, Dealt has agreed to indemnify BDOCF and BDO Group Holdings Limited, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.9. Limitations

We acknowledge that this IER may be lodged by the Directors with regulatory and statutory bodies and will be included in the Transaction Document to be sent to the Shareholders. The Directors acknowledge that our IER has been prepared solely for the purposes noted in the Transaction Document and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of Dealt. We understand that the Directors have been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors or their advisors.

We note that the IER does not deal with the individual investment circumstances of the Shareholders and no opinion has been provided in relation to same. Some individual Shareholders may place a different emphasis on various aspects of the Proposed Transaction from that adopted in our IER. Accordingly, individuals may reach different conclusions on whether or not the Proposed Transaction is fair and reasonable. An individual Shareholder’s decision in relation to the Proposed Transaction may be influenced by their particular circumstances and, therefore, Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Transaction Document or any other document. We have provided consent for inclusion of the IER in the Transaction Document. Our consent and the Transaction Document acknowledge that we have not been involved with the issue of the Transaction Document and that we accept no responsibility for the Transaction Document apart from the IER.

2.10. Assumptions

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- ▶ assumptions outlined in the valuation sections;
- ▶ that matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;

- ▶ information sent out in relation to the Proposed Transaction to the Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects;
- ▶ publicly available information relied on by us is accurate, complete and not misleading;
- ▶ if the Proposed Transaction is implemented, that it will be implemented in accordance with the stated terms;
- ▶ the legal mechanisms to implement the Proposed Transaction are correct and effective; and
- ▶ there are no undue changes to the terms and conditions of the Proposed Transaction or material issues unknown to us.

3. PROFILE OF DEALT

3.1. Overview

Dealt (formerly named Velocity Property Group Limited) is a public company listed on the Australian Securities Exchange (ASX:DET). Based in Brisbane, Australia, Dealt is a boutique residential property development company specialising in luxury residential apartments, townhouses and homes. As a vertically integrated business, Dealt manages the project development process from site sourcing, concept design, through to marketing, sales and the final handover of the completed product. Design and construction of the projects are tendered out to external parties.

3.2. Strategic and operational review

The impact of the COVID-19 crisis since March 2020 presented a range of operational challenges for the Company and significantly impacted its operations. As such, on 29 July 2020, the Board of Dealt announced that it would undertake a strategic and operational review to assess the options available to the Company.

The strategic review resulted in the Company selling its Two27 development site in Palm Beach, QLD in July. Further, the Company noted that it would assess the various options available to Dealt to maximise value for all shareholders and provide an update on these when it announces its FY20 results. As at the date of this report Dealt had no active development projects.

On 7 August 2020, Dealt received a proposal from 360 Capital Group to restructure and recapitalise the Company and expand its activities to real estate financing and debt activities, within Australia and New Zealand including but not limited to:

- ▶ undertaking of up to a \$100m recapitalisation;
- ▶ restructuring Dealt into a stapled security by stapling a trust to the Company; and
- ▶ acquiring 100% of the equity DSS and AMF Finance Pty Ltd.

All resolutions of the proposal from 360 Capital Group were approved by the Shareholders of Dealt in February 2021 and the capital raise was launched in March 2021.

As the minimum subscription of the capital raise was not reached, the prospectus was withdrawn in May 2021 and the proposal was revised to the current Proposed Transaction, focusing on the acquisition of DSS.

It is proposed that the Company would also be delisted and removed from the Official List as the Directors do not believe that Dealt's current level of operations are appropriate for the Company to continue to be listed.

3.3. Directors and management

The current board of directors of Dealt consists of four members, as indicated below.

Table 3: Directors and key management personnel

Director/manager name	Capacity
Mr Tony Pitt*	Chairman & Non-executive Director
Mr Philip Raff	Managing Director (Executive)
Mr James Storey*	Director (Non-executive)
Mr Phillip Young	Chief Financial Officer & Company Secretary

Note: Tony Pitt is also the Managing Director at 360 Capital Group and James Storey is the Head of Real Assets at 360 Capital Group. They are also shareholders in DSS.

Source: Management information

Phillip Raff will continue as Managing Director and Phillip Young will continue as CFO and Company Secretary.

3.4. Historical Statement of Profit or Loss and Other Comprehensive Income

The historical statements of profit or loss and other comprehensive income of Dealt are set out in the table below. The income statements for the financial years ended 30 June 2018 (FY18), 30 June 2019 (FY19), 30 June 2020 (FY20) and 30 June 2021 (FY21) are based on audited and reviewed financial statements.

Table 4: Dealt's Historical Statement of Profit or Loss and Other Comprehensive Income

\$'000s	Notes	FY18	FY19	FY20	FY21
Revenue					
Revenue from sales of properties	1	17,149	38,175	49,069	53,956
Other revenue from operations		254	652	679	680
Total revenue		17,402	38,827	49,748	54,636
Expenses					
Cost of property development and construction	2	(13,986)	(32,027)	(53,040)	(54,266)
Employee benefits expense		(1,158)	(1,278)	(1,831)	(1,119)
Depreciation and amortisation expense		(13)	(39)	(45)	(24)
Administration and other expenses	3	(2,094)	(2,417)	(4,164)	(3,078)
Total expenses		(17,250)	(35,761)	(59,080)	(58,487)
Profit/(loss) before income tax (expense)/benefit		152	3,066	(9,333)	(3,851)
Income tax (expense)/benefit		(54)	(763)	14	(39)
Profit/(loss) after income tax (expense)/benefit		98	2,303	(9,318)	(3,890)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		98	2,303	(9,318)	(3,890)
<i>Profit/(loss) for the year is attributable to:</i>					
Non-controlling interest		(60)	1,698	409	(32)
Shareholders of Dealt		158	605	(9,727)	(3,858)
Total comprehensive income for the year	4	98	2,303	(9,318)	(3,890)

Source: Velocity Property Group Limited Annual Report as at 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021

Notes to the above statement of profit or loss and other comprehensive income are detailed below:

1	<p>Revenue increased by 122% to \$38.6m in FY19 following the completion of The Hathaway and ONE Palm Beach Developments. Growth in FY20 was 28% to \$49.7m, driven by the sales at the completion of the ONE Bulimba Riverfront and Parque on Oxford developments. Development activities in FY20 were impacted by the onset of COVID-19.</p> <p>Dealt's revenue in FY21 from the sale of properties was driven by ongoing sales at ONE Bulimba Riverfront, Parque on Oxford and the sale of the Palm Beach development site (Two27) and Burleigh Heads Development site. Since 30 June 2021, the Company has settled the sale of the final townhouse at Parque on Oxford and executed an unconditional contract for the sale of an apartment at ONE Bulimba Riverfront.</p>
2	<p>The cost of property development and construction includes cost of goods sold, finance costs and the write-down of inventories to net realisable value. The net realisable value of inventory was written down by \$4.7m in FY20 as a result of reduction in property values due to COVID-19.</p> <p>In FY21, costs included a further \$854k write down in inventory, \$203k in agents selling commission entitlements relating to the sale of the Burleigh Heads development site, and \$480k in forgone deposits and costs relating to the rescinding of property acquisition contracts as a result of Dealt discontinuing property development activities.</p>
3	<p>In FY20, administration and other expenses included a \$1.1m net fair value loss realised on Dealt's residential investment properties as assessed by independent third party valuations.</p>
4	<p>Of the \$9.3m loss in FY20, +\$409k was attributable to the non-controlling interests and -\$9.7m attributable to the Shareholders of Dealt. In FY21, the majority of the -\$3.9m loss was attributable to the Shareholders of Dealt.</p>

3.5. Historical Statement of Financial Position

The Historical Statement of Financial Position for Dealt as at 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021 are set out below.

Table 5: Dealt's Historical Statement of Financial Position

\$'000s	Notes	30-Jun-18 Audited	30-Jun-19 Audited	30-Jun-20 Audited	30-Jun-21 Unaudited
Assets					
Cash and cash equivalents		3,720	1,839	2,615	3,415
Trade and other receivables		63	50	115	107
Inventories	1	64,941	86,134	56,416	5,859
Other current assets		311	632	171	148
Total current assets		69,036	88,656	59,316	9,528
Investment properties	2	7,214	7,018	5,955	5,955
Property, plant and equipment		1,096	1,119	1,058	5
Intangibles		3	27	42	-
Total non-current assets		8,313	8,165	7,055	5,959
Total assets		77,349	96,821	66,371	15,488
Liabilities					
Trade and other payables		3,950	3,425	1,126	166
Borrowings	3	43,763	62,105	36,094	5,680
Income tax		-	1,050	1,112	-
Employee benefits		26	76	120	48
Redeemable preference shares	4	3,197	922	922	-
Total current liabilities		50,936	67,578	39,375	5,895
Borrowings		7,783	8,596	15,310	3,760
Deferred tax		689	402	26	(0)
Total non-current liabilities		8,473	8,998	15,336	3,760
Total liabilities		59,408	76,576	54,711	9,655
Net assets		17,941	20,244	11,660	5,833
Equity					
Issued capital		15,217	15,217	15,951	15,951
Reserves		473	473	473	473
Retained profit		2,390	2,994	(6,733)	(10,591)
Equity attributable to Dealt shareholders		18,079	18,684	9,690	5,833
Non-controlling interest		(138)	1,561	1,970	-
Total equity		17,941	20,244	11,660	5,833

Source: Velocity Property Group Limited Annual Report as at 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021.

Notes to the above statement of financial position are detailed below:

1	Inventories relate to ready for sale or in-process property developments and relevant expenditure such as land consultants, construction costs, statutory charges and finance costs. Development projects are recorded at the lower of cost or net realisable value. As at 30 June 2021, the only property developments remaining were Parque on Oxford and ONE Bulimba Riverfront. Unconditional sale contracts were exchanged for the sale of Parque on Oxford with settlement expected by July 2021.
2	Dealt held ten residential investment properties in Queensland as at 30 June 2020. These properties were independently valued at 30 June 2020 resulting in a reduction in the value of these assets of \$1.1m. The fair value was unchanged as at 31 December 2020 and 30 June 2021.
3	Borrowings consist of bank loans, non-bank loans and loans with 360 Capital Group. The convertible note facility with 360 Capital Group matures in December 2021 and the notes are convertible into ordinary shares (subject to shareholder approval) at \$1.40 per share. In FY20, the Singapore non-bank working capital facility was settled using funds from 360 Capital Group's investment. We note that in FY20, Dealt repaid all of its foreign currency borrowings, with no foreign currency assets or liabilities as at 30 June 2020 held by the group. The assets of trading stock, investment properties, and lands and buildings have been pledged as security for the current and non-current borrowings.

In December 2020, the residual stock facility loan with 360 Capital Group was repaid via a refinance with a bank lender, significantly reducing Dealt's average cost of borrowing.

As at 30 June 2021, the only bank borrowings related to ONE Bulimba Riverfront and the residential investment properties, totalling approximately \$5.7m. \$3.2m of the non-current loans relates to the outstanding balance of convertible notes from 360 Capital, reduced from \$10m to \$3.2m after voluntary repayments during FY21.

4

Redeemable preference shares in FY18, FY19 and FY20 relate to the ONE Palm Beach Project. Dealt held a 50% stake with another project partner (former land owner), who owned the remaining 50%. The redeemable preference shares were repaid from the final net proceeds on the sale of the project after all secured project debt was repaid.

3.6. Ordinary shares

The top ten shareholders of Dealt held c.50% of the total shares on issue at 10 June 2021. The top ten shareholders as per latest shareholders register are set out below.

Table 6: Dealt top 10 shareholders

Rank	Shareholder	Current shares	% of total shares
1	TGP TOT JV PTY LIMITED	2,276,766	19.99%
2	BNP PARIBAS NOMINEES PTY LTD (MR PHILIP JOHN RAFF)	1,159,085	10.18%
3	MS AMANDA ANNIKKI HIRVI	606,455	5.32%
4	8I HOLDINGS LIMITED	380,849	3.34%
5	EVERGREEN STREET PTY LTD	312,443	2.74%
6	MR BRENDON CRAIG ANSELL	294,011	2.58%
7	MR REGAN LEE BAKER	201,177	1.77%
8	CITICORP NOMINEES PTY LIMITED	186,128	1.63%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	171,289	1.50%
10	MR SOON PIANG LINCOLN TEO	144,585	1.27%
Top ten shareholders		5,732,788	50.33%
Other shareholders		5,657,149	49.67%
Total shareholders		11,389,937	100.00%

Note: TGP TOT JV Pty Limited is a joint venture between 360 Capital Group and 360 Capital REIT

Source: Dealt shareholder register at 10 June 2021

The shares held in Dealt have not been actively traded since 25 August 2020. The only movements in shareholdings between August 2020 and June 2021 have resulted from transfers of holdings between brokers, wholly-owned group entities and related parties. There has been no change in beneficial ownership since August 2020.

3.7. Share options

As at 30 June 2020, there were 7,142,857 options outstanding in relation to Dealt ordinary shares. These options are those attached to the \$10m debt provided by the 360 Capital Group as discussed at Note 3 of Section 3.6.

4. PROFILE OF THE 360 CAPITAL GROUP

4.1. Overview

The 360 Capital Group is an investment and funds management group, focussed on strategic and active management of alternative assets. Its four investment strategies which make up its alternative assets management and investment strategy are in real assets, private equity, public equity, and credit.

The 360 Capital Group and its associates will hold 34.3% in Dealt if the Proposed Transaction is approved.

4.2. Company structure

360 Capital Group comprises 360 Capital Group Limited together with 360 Capital Investment Trust, a listed stapled security (ASX:TGP). 360 Capital Group manages the following listed stapled entities:

- ▶ 360 Capital REIT (TOT) (ASX:TOT) comprising 360 Capital Passive REIT and 360 Capital Active REIT; and
- ▶ 360 Capital Digital Infrastructure Fund (ASX:TDI) comprising 360 Capital Digital Infrastructure Fund and 360 Capital Digital Fund 2 (Funds).

The Funds comprise managed investment schemes listed on the ASX that are externally managed by 360 Capital FM Limited, the responsible entity, which is a wholly-owned subsidiary of 360 Capital Group Limited.

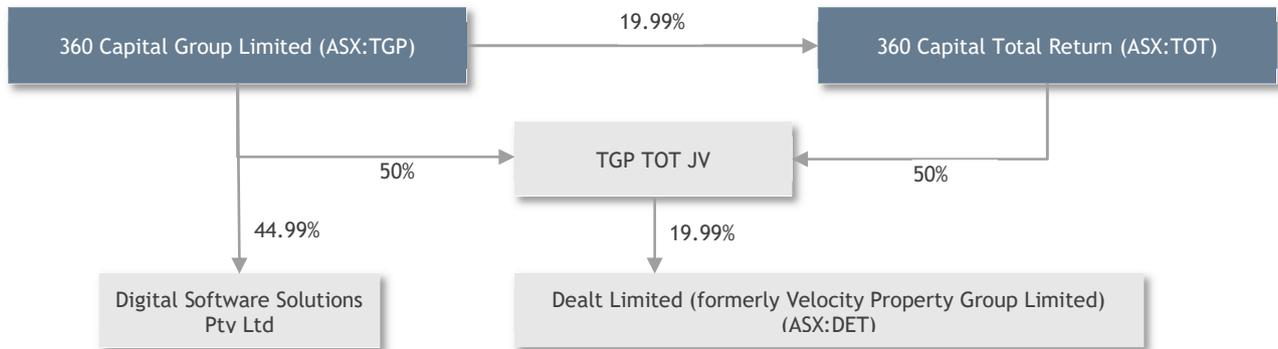
4.3. Investment in Dealt and DSS

In December 2019, 360 Capital Group and TOT acquired a 19.99% equity stake in Dealt via their 50/50 joint venture investment company TGP TOT JV Pty Ltd. The transaction included a subscription for shares and notes, as well as a commitment from TOT to provide Dealt with a residual stock facility for Dealt's Bulimba project, totalling \$23.7m for an 18-month term.

Currently, 360 Capital Group owns 44.99% of DSS. Mr Aryn Gillani, the CEO and Founder of Talos Digital LLC, owns 10% of DSS, and the remaining 45.01% interest is held separately by Tony Pitt (director of 360 Capital Group and Dealt), James Storey and Glenn Butterworth (both key management of 360 Capital Group).

A graphical representation of the above investments is set out below.

Figure 2: Corporate Structure



Source: Management information

4.4. Directors and management

The board of directors and senior management of 360 Capital Group are set out in the following table.

Table 7: Directors and key management personnel

Director/manager name	Capacity
Mr David van Aanholt	Independent Chairman
Mr Tony Pitt	Group Managing Director
Mr William Ballhausen	Non-Executive Independent Director
Mr Andrew Moffatt	Non-Executive Independent Director
Mr Glenn Butterworth	CFO and Joint Company Secretary
Mr James Storey	Head of Real Assets
Mr Christopher Chase	Head of Private Credit

Source: 360 Capital Group Annual Report as at 30 June 2020

5. PROFILE OF DSS

5.1. Overview of DSS

Founded in 2018, DSS is an early stage, financial technology company that has developed an online real estate loan origination, underwriting, negotiation, and execution platform. DSS's platform searches for products from over 150 lenders and matches to the requirements of each borrower. Lenders are then given the opportunity to bid on loans of interest and negotiate terms.

DSS's goal is to provide a marketplace where lenders and borrowers can more efficiently transact, by facilitating the collection, transfer and analysis of information to enable the subsequent negotiation and approval of deals. DSS has recently closed its first deal and has a pipeline for future revenue generation. Between 1 March 2021 and 31 July 2021, 42 suitable deals were introduced to the DSS platform.

The development of the initial prototype commenced in October 2018, with Talos Digital LLC (Talos) engaged in January 2019 to develop the online application. DSS raised seed capital in June 2019 from 360 Capital to complete development of the platform and DSS was launched in early 2020.

In July 2019, 360 Capital Group acquired a 50% interest in DSS. In September 2020, Talos acquired 10% of the outstanding equity. Mr Aryn Gillani, a US citizen, is the listed shareholder of the 10% interest acquired by Talos.

A schedule of the outstanding shareholdings is set out below.

Table 8: DSS capitalisation

Shareholder	Shares held	Ownership %
360 Capital Property Limited	253,498	45%
Mr Glenn Butterworth	84,500	15%
Mr Tony Pitt	84,500	15%
Mr James Storey	84,500	15%
Mr Aryn Gillani	56,333	10%
Total shares outstanding	563,331	100%

Source: Application for in-principle Advice - ASX Listing Rules 1.1 condition 1 and 1.19 dated 25 May 2021

Key development milestones

DSS's initial development feasibility product was launched in November 2019, with a soft launch of its site finance product occurring in March 2020. All other products are expected to be launched in October 2020.

DSS has partnered with Archistar, a property technology and generative design company which assists property professionals find, assess and design profitable property development sites anywhere in Australia. Further, DSS is also in advanced discussions with another group to become the finance provider for its listing sites.

On 3 September 2020, DSS issued 56,333 shares to Talos. These shares represented 10% of the share capital of DSS.

The shares were issued to Talos as:

1. A payment of an invoice for services rendered. This invoice was for US\$166,605 and related to website development, customer relationship management (CRM), and project management.
2. A prepayment for future services to be provided. The services to be provided by Talos were valued at US\$128,395 and relates to additional development of the website and CRM, and streamlining of processes including capturing and organising user data.

360 Management has advised that the value of the invoices were negotiated on arm's length terms, and that the same amount would have been paid in cash if Talos had not agreed to accept shares.

Recent platform performance

DSS recently expanded its brokerage lending offerings and subsequently onboarded suitable and sufficient lenders to enable it to fully cater to the commercial real estate lending market. DSS now has 8 lending product offerings available including development finance, land subdivision finance, SMSF finance, bridging finance, site acquisition finance, residual stock finance, investment finance and mezzanine finance.

DSS is building its borrowers pipeline through digital marketing via various industry publications and websites, and is in the process of establishing relationships and partnerships with external commercial real estate listing sites, finance brokers and sales agencies.

As at July 2021, there were 776 customers using the DSS platform made up of brokers, borrowers and lenders. The following table shows the number of transactions facilitated currently using the platform as at June 2021.

Table 9: DSS platform transaction values as at July 2021

Month	Transaction Value Received (\$)	Term Sheet Accepted Loan Amount (\$)	Settled Transaction Value (\$)
Feb-21	3,730,000		
Apr-21	28,810,000	1,300,000	
May-21	71,588,598		
Jun-21	77,389,500	1,530,000	1,300,000
Jul-21	131,323,000	6,729,000	1,530,000
Total	312,841,098	9,559,000	2,830,000

Source: Management information

5.2. Directors and management

The current board of directors and senior management of DSS consists of members who are also directors of Dealt and 360 Capital Group.

Table 10: Directors and key management personnel

Director/manager name	Capacity
Mr Glenn Butterworth*	Director and Company Secretary
Mr James Storey*	Director
Mr Andrew Moffat	Director
Mr David Van Aanholt	Director
Ms Kimberley Ann Child	Company Secretary

Note: Glenn Butterworth is also the CFO at 360 Capital Group and James Storey is the Head of Real Assets at 360 Capital Group. They are also shareholders in DSS.

Source: Management information

5.3. DSS's Historical Statement of Profit or Loss and Other Comprehensive Income

The historical statements of profit or loss and other comprehensive income of DSS are set out in the table below. The income statements for the financial years FY19 and FY20 are based on management accounts.

Table 11: DSS's Historical Statement of Profit or Loss and Other Comprehensive Income

\$'000s	FY19	FY20
Revenue		
Total revenue	-	-
Expenses		
Finance charges	(0)	(1)
Meals and entertainment	(0)	(3)
Marketing and advertising	(1)	(63)
Salary and wages	-	(129)
Operating and maintenance	(0)	(25)
Taxes and insurance	-	(25)
Total expenses	(2)	(245)
Net income/(loss)	(2)	(245)

Source: Application for in-principle Advice - ASX Listing Rules 1.1 condition 1 and 1.19 dated 25 May 2021

5.4. DSS's Historical Statement of Financial Position

The Historical Statement of Financial Position for DSS as at 30 June 2019, 30 June 2020 and 30 April 2021, as per the management accounts, are set out in the following table.

Table 12: DSS's Historical Statement of Financial Position

\$'000s	30-Jun-19	30-Jun-20	30-Apr-21
Assets			
Cash and cash equivalents	1	9	97
Receivables	(0)	(0)	184
Other current assets	(43)	27	40
Total current assets	(42)	36	321
Software, patents and trademarks	292	1,008	1,091
Deferred tax assets			98
Total assets	250	1,045	1,509
Liabilities			
Accrued liabilities			24
GST refunded	-	25	39
Total current liabilities	-	25	63
Non-current liabilities			
Loans			12
Total non-current liabilities	-	-	12
Total liabilities	-	25	75
Net assets	250	1,020	1,435
Equity			
Common stock	252	1,267	1,667
Retained earnings	-	(2)	(284)
Net income/(loss)	(2)	(245)	52
Total stockholders equity	250	1,020	1,435

Source: Application for in-principle Advice - ASX Listing Rules 1.1 condition 1 and 1.19 dated 25 May 2021, Management information

6. FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY

6.1. Fairness assessment overview

The Proposed Transaction is fair if the FMV of a Dealt share after the Proposed Transaction on a minority basis is equal to or greater than the FMV of a Dealt share before the Proposed Transaction on a control basis.

Accordingly, we have undertaken an assessment of:

- ▶ a Dealt share pre-transaction on a control basis; and
- ▶ a Dealt share post-transaction on a minority basis.

The valuation methods commonly used for the above analyses are considered below.

6.2. Valuation methods

Details of common methodologies for valuing businesses and assets are included at **Appendix 3**. The principal methodologies which can be used are as follows:

- ▶ Discounted cash flow (DCF)
- ▶ Capitalisation of earnings (COE)
- ▶ Net asset value (NAV)
- ▶ Net tangible assets on a realisation basis (NRV)
- ▶ Quoted market price basis (QMP)
- ▶ Recent capital raise.

Set out below is a discussion around the valuation methods we consider appropriate for the purposes of undertaking our valuation assessment of the Dealt shares before and after the acquisition of DSS.

6.3. Selected valuation methods for Dealt and DSS

In accordance with RG 111.15, we have considered the fair market value of the Dealt shares on the basis of “a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid”. This approach does not take into account the particular circumstances of any specific transaction, and therefore we have not considered whether there is any premium in value attached to the strategic benefits or gains from synergies that may be inherent in an acquisition by a specific party, e.g. an industry competitor or supplier.

We consider the most appropriate valuation methodologies to be as follows:

Table 13: Selection of valuation methodology - Dealt

Methodology	Appropriate	Explanation
QMP	✓ (Pre)	The QMP method represents the value that a Dealt Shareholder can receive for a share if sold on the ASX market. The QMP basis is a relevant methodology to consider because Dealt shares are listed on the ASX and this reflects the value that a Dealt Shareholder will receive when selling to a willing but not anxious buyer. This price means that there is a regulated and observable market where Dealt shares can be traded. However, in order for the QMP to be considered appropriate, the Company’s shares should be sufficiently liquid and the market should be fully informed of the Company’s activities.
NRV	✓ (Pre)	We consider the assessment of Dealt’s net asset value pre-transaction on a net realisable value basis to be appropriate, as the Company’s primary assets are the residential properties it holds. The NRV approach represents the amount that could be distributed to Shareholders if the Company were to liquidate all of its property assets, and a controlling interest value.
NAV	✓ (Post)	The NAV approach considers the valuation of the net assets on a going concern basis and is usually appropriate where the majority of assets consist of cash or passive investments, or where the business is under performing. All assets and liabilities of the entity are valued at market value under this method, including the acquisition of DSS, and the combined market value forms the basis for the entity’s valuation.
DCF	X	The DCF approach is appropriate where the business’ cash flows are expected to fluctuate and where earnings are capable of being forecast for a reasonable period (preferably 5 to 10 year) with reasonable accuracy. We have not applied the DCF methodology to value the Dealt shares due to lack of readily available forecasts at the time of the valuation.
COE	X	The Capitalisation of Earnings method is most commonly applicable to profitable businesses with steady growth history and forecasts. As Dealt has no active developments at this time, we do not consider the COE methodology to be appropriate for Dealt.

Table 14: Selection of valuation methodology - DSS

Methodology	Appropriate	Explanation
Recent capital raise	✓	The recent capital raise method places value on a business by utilising the actual transaction price for shares in DSS. The methodology provides an accurate measure of value for the Company providing that the share price in the transaction was negotiated at arms-length and that neither party was under compulsion to buy/sell. Since it appears the selected DSS capital raise was negotiated at arm's length with an unrelated third party, we consider this approach to be reliable.
NAV	✓	The NAV approach considers the valuation of the net assets on a going concern basis and is usually appropriate where the majority of assets consist of cash or passive investments, or where the business is under performing. All assets and liabilities of the entity are valued at market value under this method and the combined market value forms the basis for the entity's valuation. DSS has been valued using the balance sheet as at 30 April 2021.
QMP	X	We have not utilised the QMP methodology as DSS does not trade on a public exchange.
DCF	X	We have not utilised the DCF methodology as there were no readily available forecasts at the time of the valuation.
COE	X	We have not utilised the COE methodology as DSS is an early state company with no historical earnings.

6.4. Other valuation considerations

6.4.1. Future events

The business of Dealt and DSS assumed in this valuation, is that which exists at the current date.

Other growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of this valuation.

6.4.2. Synergies

The level of synergies that can be derived from a takeover or merger is dependent on the nature of the respective businesses and their geographical and operational overlap.

We have not considered special value in forming our opinion. Accordingly, we have not attributed any value to the potential synergies listed above in our valuation approach beyond those generally observed in the market.

6.4.3. Control premium

Investment fundamentals dictate that the value of a controlling interest in an entity is normally greater than the sum of values attributable to the individual shares of that company based on transactions in minority share holdings.

The difference between the value of a controlling interest in a company and the total value of minority share holdings is referred to as a "premium for control" taking into account control and synergistic benefits for the acquirer.

Control of a company by a shareholder gives that shareholder rights to which minority shareholders are not entitled, including control of the company's policies and strategies, and use of cash flows of the company.

A premium for control is applicable when an acquisition would give rise to benefits such as:

- ▶ the ability to realise synergistic benefits;
- ▶ access to cash flows;
- ▶ access to tax benefits; and
- ▶ control of the board of directors of the company.

Therefore, a transaction premium would typically include a premium for control as well as potential buyer specific synergies.

The level of premium for control paid in a takeover bid will vary across industries and is dependent upon the specifics of the company being acquired. In arriving at an appropriate premium for control to apply, we note that buyers would generally assess the following considerations:

- ▶ level of liquidity in the trade of the target's securities;
- ▶ synergistic value;
- ▶ 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; and
- ▶ ability to integrate the target into the acquirer's business.

In our assessment of an appropriate control premium for Dealt, we reviewed acquisitions over the period 2016 to 2021. We reviewed the offer premium to the share price one trading day, week and month before the offer announcements.

The details of the transactions are set out in the following table. We note one-day, one-week and one-month prior control premiums are in the range of 1% and 150%, with median premiums in the range of 22% to 29%.

Table 15: Control premiums

Transaction Closed date	Target	Country	1D share premium	1W share premium	1M share premium
21/01/2021	Urban&Civic plc	United Kingdom	64%	68%	62%
6/01/2021	Nirvana Daii Public Company Limited	Thailand	36%	102%	150%
6/07/2020	Consus Real Estate AG	Germany	9%	3%	17%
11/02/2020	NewNorth Projects Ltd.	Canada	73%	73%	117%
3/02/2020	TEE Land Limited (nka:Amcorp Global Limited)	Singapore	6%	10%	12%
29/11/2019	Aveo Group Limited	Australia	11%	16%	1%
30/10/2019	Villa World Limited	Australia	1%	2%	8%
31/05/2018	TRlplc Berhad	Malaysia	56%	55%	96%
31/12/2017	ISARIA Wohnbau AG	Germany	24%	22%	29%
1/12/2017	Tian An Australia Limited	Australia	48%	16%	27%
5/10/2017	Forestar Group Inc.	United States	25%	26%	25%
18/04/2017	Guangdong Land Holdings Limited	Hong Kong	53%	58%	84%
20/02/2017	STrust Co.,Ltd.	Japan	19%	21%	30%
3/11/2016	Payce Consolidated Limited	Australia	80%	80%	80%
10/10/2016	Sim Lian Group Limited	Singapore	15%	14%	23%
Mean			35%	38%	51%
Median			25%	22%	29%

Source: Capital IQ and BDOCF analysis

The above comparable transactions include buyer specific synergies which we do not include in our analysis. Therefore we have adopted a control premium range of 20 to 25% in our analysis of the Proposed Transaction.

6.4.4. Valuation in accordance with APES 225

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.

7. VALUATION OF DEALT PRE-TRANSACTION

We have valued a Dealt share prior to the Proposed Transaction using the QMP and NRV methodologies.

7.1. FMV of Dealt pre-transaction, using the QMP method

We have valued a Dealt share by analysing trading on the ASX.

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 111.69 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 and unexplained movements in share price.

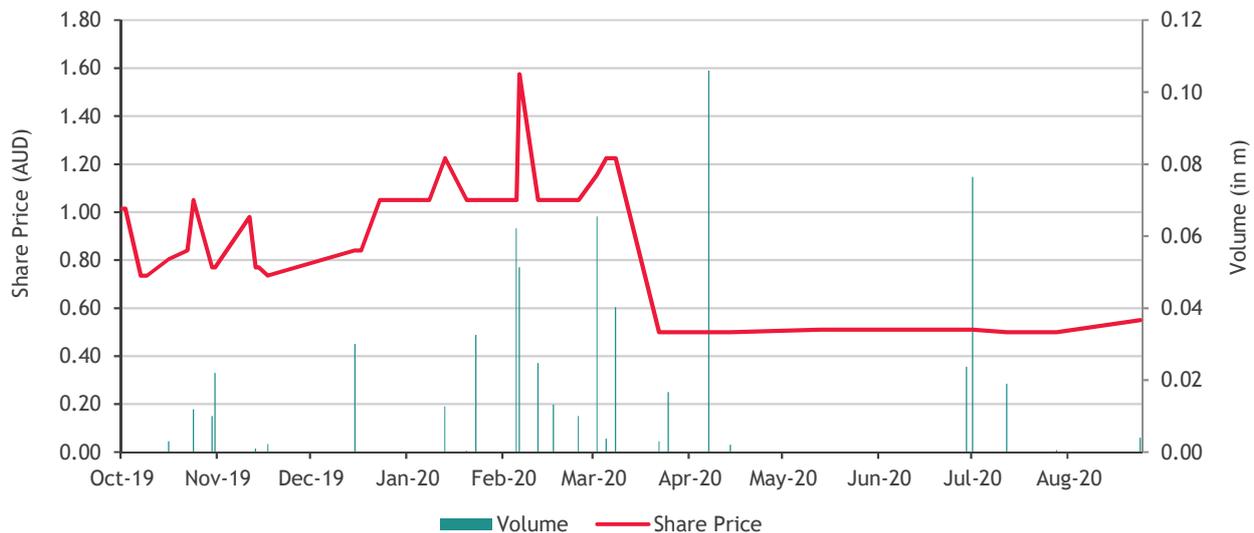
A company's shares should meet all of the above criteria to be considered 'liquid and active'. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

7.1.1. Trading History

Dealt Limited formerly traded under the ticker code "VP7" when the Company was named Velocity Property Group. The name change took effect on 10 March 2021, and the Company is now listed under the new ASX ticker code "DET".

Dealt announced a trading halt on 3 September 2020. We have analysed share prices and volumes for the 12 months to 2 September 2020.

Figure 3: Monthly closing share price and trading volume (From 1 September 2019 to 2 September 2020)



Note: In March 2020, Dealt undertook a 35:1 share consolidation. CapitalIQ has retrospectively adjusted price data to reflect this

Source: CapitalIQ and BDOCF analysis

On 25 August 2020, the Company released its FY20 annual report to its shareholders. Within the annual report, Dealt noted that on 7 August 2020, it had received a proposal from 360 Capital to restructure and recapitalise Dealt and expand its activities to real estate financing activities within Australia and New Zealand. This included, but was not limited to, the acquisition of certain related party assets from 360 Capital and its associates. The share price increased 10% following the announcement of the FY20 Annual Report.

Set out below is a summary of all of the Company's price-sensitive announcements in the twelve months prior to 2 September 2020.

Table 16: Price sensitive announcements

Date	Announcement	Share price - 1 day before	Share price - 1 day after	Change (\$)	Change (%)
25-Aug-20	VP7 FY20 annual report published	0.50	0.55	0.05	10.0%
29-Jul-20	Sale of Two27 Palm Beach development site	0.50	0.50	-	0.00%
6-Mar-20	Resignation of two directors	1.16	1.23	0.07	6.06%
2-Mar-20	Consolidation/Split of outstanding VP7 shares	1.05	1.16	0.11	10.0%
26-Feb-20	VP7 1H20 Results announcement	1.05	1.05	-	0.0%
7-Feb-20	Proposed issue of 250,000,000 options	1.05	1.58	0.53	50.0%
5-Feb-20	Notice of EGM to ratify 360 Capital shares, options and consolidation of issued share capital	1.05	1.05	-	0.0%
23-Dec-19	360 Capital to take a 19.99% stake in VP7 via equity investment	0.84	1.05	0.21	25.0%
25-Oct-19	VP7 FY19 annual report published	0.84	1.05	0.21	25.0%

Note: In March 2020, Dealt undertook a 35:1 share consolidation. CapitalIQ has retrospectively adjusted price data to reflect this

Source: ASX website, Capital IQ and BDOCF analysis

7.1.2. VWAP

The table below summarises trading for the 12 month period leading up to last trading day before the announcement of the Proposed Transaction, 2 September 2020.

Table 17: VWAP for the 12 months ended 2 September 2020

Period	Price (Low) \$	Price (High) \$	Price VWAP \$	Cumulative value \$000	Cumulative volume 000	% of issued capital
1 day						
1 week						
1 month	0.50	0.55	0.52	2.10	4.00	0.04%
3 months	0.50	0.55	0.51	62.90	123.59	1.09%
6 months	0.50	1.33	0.72	260.32	360.66	3.17%
12 months	0.50	1.58	0.88	572.63	647.51	5.76%

Note: In March 2020, Dealt undertook a 35:1 share consolidation. CapitalIQ has retrospectively adjusted price data to reflect this

Source: CapitalIQ and BDOCF analysis

The above table indicates that Dealt's shares display a low level of liquidity, with only 5.76% of the Company's current issued capital being traded on the ASX over the 12 month period. We note the following with respect to the VWAP over the period:

- ▶ The Dealt share price reached a high of \$1.58 on 7 February 2020, and a low of \$0.50 initially on 23 March 2020.
- ▶ The low of \$0.50 remained stagnant from 23 March 2020 through 29 July 2020 with very little trading volume (c.\$126k cumulative trading value).
- ▶ The VWAP over the 12 month period was \$0.88 with a cumulative trading volume of c.648k shares or 5.76% of issued capital.
- ▶ The date with the greatest trading volume was 8 April 2020 where 110k shares were traded at the 52-week low of \$0.50.

7.1.3. FMV of a Dealt share pre-transaction, using the QMP method

On the basis of the VWAP analysis for Dealt up to 2 September 2020, we consider the FMV of Dealt to be in the range of \$0.50 to \$0.55 on a minority basis, being the high and the low of the last 3 months.

The FMV of a Dealt share including a control premium range of 20% to 25% (refer to Section 6.4.3) is shown below.

Table 18: FMV of a Dealt share using the QMP method

\$	Low	Mid	High
Quoted market price (on minority basis) (\$)	0.50	0.52	0.55
Add: Control premium	20.0%	22.5%	25.0%
Quoted market price (on control basis) (\$)	0.60	0.63	0.69

Source: BDOCF analysis

Overall, we consider a value of \$0.60 and \$0.69 on a control basis under the QMP method to be an appropriate value for a Dealt share prior to the Proposed Transaction.

7.2. FMV of Dealt pre-transaction, using the NRV method

We have also assessed the FMV range of a Dealt share using the NRV methodology prior to the Proposed Transaction.

We consider the assessment of Dealt's net assets on a net realisable value basis to be appropriate, as the Company's primary assets are the residential properties it holds. The net realisable value represents the amount that could be distributed to Shareholders if the Company were to liquidate all of its property assets, and a controlling interest value.

The net realisable value of Dealt has been based on the most recent balance sheet position as per the Management accounts as at 30 June 2021 and is summarised in the table below.

Table 19: Net Asset Valuation of Dealt

\$'000s	Notes	30-Jun-21 Unaudited	Adjusted NRV Low	Adjusted NRV High
Assets				
Cash and cash equivalents		3,415	3,415	3,415
Trade and other receivables		107	107	107
Inventories	1	5,859	5,859	5,859
Other		148	148	148
Total current assets		9,528	9,528	9,528
Investment properties	2	5,955	5,955	5,955
Property, plant and equipment		5	5	5
Total non-current assets		5,959	5,959	5,959
Total assets		15,488	15,488	15,488
Liabilities				
Trade and other payables		166	166	166
Borrowings	3	9,440	9,440	9,440
Employee benefits		48	48	48
Total liabilities		9,655	9,655	9,655
Net assets		5,833	5,833	5,833
Less: Operating costs	4		(1,200)	(1,200)
Less: Interest costs	5		(109)	(109)
Less: Liquidation costs	6		(500)	(200)
Net realisable value			4,024	4,324
Shares outstanding pre-transaction (#000)	7		11,390	11,390
NRV per share, pre-transaction, on a control basis			0.35	0.38

Source: Velocity Property Group Limited Annual Report as at 30 June 2021 and BDOCF analysis

The following items were considered when determining the net realisable value of Dealt, pre-transaction on a control basis, as at 30 June 2021.

1	The two remaining projects recorded in Inventories are Parque on Oxford and ONE Bulimba Riverfront. Both are recorded at Management's forecast net realisable value.
2	The Investment properties were valued independently at 30 June 2021.
3	The outstanding balances of borrowings are as specified by Bankwest, Westpac and 360 Capital. The financing from Bankwest and Westpac are associated with ONE Bulimba Riverfront and remaining residential Investment Properties.
4	Management expect the last of its properties to sell by June 2022. Therefore, in the event of a wind up of the Company, Dealt will continue to incur operational costs of c. \$100k per month, i.e. a total of c. \$1.2m over the 12 months between 30 June 2021 until June 2022. We have deducted this from the net assets of Dealt at 30 June 2021.
5	The Company currently has a loan facility in place with 360 Capital with \$3.2m outstanding and a loan repayment date of 24 December 2021. Dealt will continue to incur interest until the repayment date. As such, an estimated \$109k has been deducted from the net assets of Dealt, pre-transaction, at 30 June 2021 (i.e. 7% of \$3.2m over the 6 months, from 30 June 2021 to 24 December 2021).

6	In the event of a liquidation of Dealt, Management estimate total costs to range between \$200k and \$500k. Management note this includes various professional services that would be required in the event of a wind-up of the Company, minimal redundancy costs, and some operating and holding costs that would be incurred to realise/sell the remaining trading stock and investment properties. Management note there are no lease cancellation costs to consider, given that Dealt are currently on a month-to-month office lease.
7	As at 30 June 2021, the Company had c.11.4m shares outstanding. We have also considered the c.7.1m options outstanding that were issued to 360 Capital Group. Since the options have an exercise price of \$1.40 and would not exercise in the above scenario, they have not been included in total shares on issue.

The table above indicates the net realisable value of Dealt's equity, pre-transaction on a control basis, per the NRV method ranges from \$4.0m to \$4.3m or \$0.35 to \$0.38 per share.

7.3. Conclusion as to the FMV of a Dealt share, on a control basis, pre-transaction

A summary of our valuation is set out below.

Table 20: Dealt FMV Summary

\$	Low	Mid	High
Value of a Dealt share using QMP method (on a control basis)	0.60	0.63	0.69
Value of a Dealt share using NAV method (on a control basis)	0.35	0.37	0.38
Preferred value of Dealt share, pre-transaction (on a control basis)	0.35	0.37	0.38

Source: BDOCF analysis

We have adopted the NAV method over the QMP method, as our preferred value for a Dealt share. The QMP method reflects the trading price of a Dealt share on the ASX however, due to the overall illiquidity of the Dealt shares, and due to there being no trade of Dealt shares since 25 August 2020, we do not consider the QMP method to be as reliable as the NAV valuation. We note that Dealt's net assets have declined from \$11.7m at 30 June 2020 to \$5.8m at 30 June 2021.

The value from the NAV method is driven primarily by the value of the inventory, which has been stated at net realisable value and is net of selling costs and GST. 90% of Dealt's investment property portfolio were independently valued in June 2021, and the debt facilities are carried at fair value on the balance sheet. Furthermore, we have adjusted the net asset value for additional operating costs, interest costs, and liquidation costs to estimate the value of Dealt as if it were liquidated, and proceeds distributed to shareholders.

We consider a preferred value of \$0.35 to \$0.38 to be appropriate for a Dealt share.

7.4. Total value of the Transaction Consideration

As part of the Proposed Transaction, Dealt will issue 4 million shares as consideration for DSS, as well as an additional \$2m in cash. A summary of the total value of the Consideration is set out below.

Table 21: Total value of the Transaction Consideration

000s	Low	Mid	High
Number of shares to be issued at an issue price of \$0.50	4,000	4,000	4,000
Preferred value of a Dealt share (\$)	0.35	0.37	0.38
Fair value of Dealt share consideration (\$)	1,413	1,466	1,519
Cash consideration (\$)	2,000	2,000	2,000
Fair value of the Transaction Consideration (\$)	3,413	3,466	3,519

Source: BDOCF analysis

8. VALUATION OF DSS

We have valued DSS with reference to the recent price at which DSS shares have been issued, and the value of net assets held by the business.

8.1. FMV of DSS using the Recent Capital Raise method

We have valued DSS with reference to the price at which DSS has recently issued shares.

On 3 September 2020, DSS issues 56,333 shares to Talos. These shares represented 10% of the share capital of DSS.

The shares were issued to Talos as:

1. A payment of an invoice for services rendered. This invoice was for US\$166,605 and related to website development, customer relationship management (CRM), and project management.
2. A prepayment for future services to be provided. The services to be provided by Talos were valued at US\$128,395 and relates to additional development of the website and CRM, and streamlining of processes including capturing and organising user data.

A summary of the payment breakdown is set out below.

Table 22: Talos payment breakdown

	Units	Value (\$)
Services rendered - to date	USD	165,605
Future services - as agreed	USD	128,395
Total services	USD	294,000
Implied USD/AUD exchange rate @ \$0.735	AUD	400,000

Source: BDOCF analysis

We have been provided with invoices issued by Talos, and the related work schedules. 360 Management have advised that the value of the invoices were negotiated on arm's length terms, and that the same amount would have been paid in cash if Talos had not agreed to accept shares.

Based on the above, we have valued the 56,333 shares issued to Talos/ Mr Aryn Gillani at \$400,000. These shares represent 10% of DSS, and the transaction implies a post money valuation of DSS of \$4m.

We have selected a valuation range of between \$3.5 million and \$4.5 million. The low end of the range reflects that Talos' investment was made by providing services (including future services), and there is some inherent uncertainty as to the exact market value of these services. The high end of the range reflects a premium for control as Talos acquired 10% of DSS, whereas Dealt will acquire 100% of DSS.

This transaction occurred in September 2020. Since then, DSS has closed its first deal, and continues to grow with 42 suitable deals introduced to the DSS platform between 1 March 2021 and 31 July 2021.

Table 23: Valuation of DSS based on recent capital raise

\$'000s	Low	Mid	High
Recent transaction method	3,500	4,000	4,500

Source: Management information and BDOCF analysis

The concluded fair value of DSS's equity from the recent capital raise method to range from \$3.5m to \$4.5m.

8.2. FMV of DSS using the NAV method

We have considered the most recent financial position of DSS according to the Management accounts as at 30 April 2021. We have assumed that the book value of assets and liabilities are a reliable indication of the market value.

The fair value of DSS's equity per the net asset value method is set out in the following table.

Table 24: FMV of DSS using the NAV method

\$'000s	30-Apr-21
Assets	
Cash and cash equivalents	97
Receivables	184
Other current assets	40
Total current assets	321
Software, patents and trademarks	1,091
Deferred tax assets	98
Total assets	1,509
Liabilities	
Accrued liabilities	24
GST refunded	39
Total current liabilities	63
Non-current liabilities	
Loans	12
Total non-current liabilities	12
Total liabilities	75
Net assets	1,435

Source: Management information and BDOCF analysis

DSS's value is derived primarily from its proprietary software and user interface. The intangible assets have been carried on the balance sheet at cost.

We estimate the value of DSS's equity per the NAV method to be \$1.4m.

8.3. Conclusion as to the FMV of DSS

Table 25: DSS Concluded Value

\$'000s	Low	Mid	High
Recent capital raise method	3,500	4,000	4,500
NAV Method	1,435	1,435	1,435
Concluded Fair Value	3,500	4,000	4,500

Source: BDOCF analysis

Ultimately, the NAV methodology provides a floor value for the Company, however it does not consider any future earning potential or growth. As DSS's most recent transaction was entered into on arm's length terms with an unrelated third party supplier, we consider the most recent share purchase to provide the most reliable value indication for DSS. We therefore consider the fair value of DSS to range from \$3.5m to \$4.5m.

8.4. Comparison for ASX Listing Rule 10.1

We note that for the purposes of ASX Listing Rules 10.1 and 10.10.2, the Transaction Consideration to be paid to related parties is below the FMV of the asset being acquired, DSS, as shown in the following table.

Table 26: Comparison of Transaction Consideration and the concluded FMV of DSS

\$000s	Low	Mid	High
Fair value of the Transaction Consideration (the financial benefit)	3,407	3,460	3,513
Fair value of DSS (the asset to be acquired)	3,500	4,000	4,500
Implied gain/ (loss) on acquisition	93	540	987

Source: BDOCF analysis

9. VALUATION OF DEALT POST-TRANSACTION

If the Proposed Transaction proceeds, Dealt will acquire DSS and pay the Transaction Consideration. We have valued Dealt shares after the Proposed Transaction using the NAV method.

9.1. FMV of Dealt post-transaction using the NAV method

The net asset value of Dealt post-transaction has been based on the balance sheet position as at 30 June 2021 after the acquisition of DSS and payment of the Transaction Consideration. The adjustments resulting from the Proposed Transaction are shown in the following table.

Table 27: Net Asset Valuation of Dealt, post-transaction

\$'000s	Notes	30-Jun-21	Impact of DSS acquisition		Adjusted NAV	
		Unaudited	Low	High	Low	High
Assets						
Cash and cash equivalents	1	3,415	(2,000)	(2,000)	1,415	1,415
Trade and other receivables		107	-	-	107	107
Inventories		5,859	-	-	5,859	5,859
Other		148	-	-	148	148
Total current assets		9,528	(2,000)	(2,000)	7,528	7,528
Investment properties		5,955	-	-	5,955	5,955
Property, plant and equipment		5	-	-	5	5
Acquisition of DSS	2		3,500	4,500	3,500	4,500
Total non-current assets		5,959	3,500	4,500	9,459	10,459
Total assets		15,488	1,500	2,500	16,988	17,988
Liabilities						
Trade and other payables		166	-	-	166	166
Borrowings		9,440	-	-	9,440	9,440
Employee benefits		48	-	-	48	48
Total liabilities		9,655	-	-	9,655	9,655
Net assets		5,833	1,500	2,500	7,333	8,333
Less: Operating costs	3				(1,200)	(1,200)
Less: Interest costs	4				(109)	(109)
Net asset value					6,024	7,024
Shares outstanding, post-transaction (#000)	5	11,390	4,000	4,000	15,390	15,390
Net asset value per share					0.39	0.46

Source: Management information and BDOCF analysis

The following items were considered when determining the net asset value of Dealt post transaction as at 30 June 2021.

1	\$2m in cash will be paid to the vendors as part of the Transaction Consideration.
2	We have applied the fair market value range assessed for DSS in Section 8.3.
3	Although Dealt will not liquidate operations after the acquisition of DSS, Management will continue to dispose of the remaining properties as operations are repurposed to solely be an online marketplace/ brokerage for commercial real estate loans. Dealt will therefore continue to incur operational costs of c. \$100k per month, i.e. a total of c. \$1.2m over the remaining 12 months until June 2022, when all remaining properties are estimated to be sold. We have deducted this amount from the net assets of Dealt, post-transaction, at 30 June 2021.
4	The Company currently has a loan facility in place with 360 Capital with \$3.2m outstanding with a loan repayment date of 24 December 2021. Dealt will continue to incur interest until the repayment date. As such, an estimated \$109k has been deducted from the net assets of Dealt, post-transaction, at 30 June 2021 (i.e. 7% of \$3.2m over the 6 months, from 30 June 2021 to 24 December 2021).

5

As at 30 June 2021, the Company had c.11.4m shares outstanding. We have also considered the c.7.1m options outstanding that were issued to 360 Capital Group. Since the options have an exercise price of \$1.40 and would not exercise in the above scenario, they have not been included in total shares on issue.

An additional 4.0 million shares will be issued as part of the Transaction Consideration to acquire DSS. The total shares outstanding post-transaction is therefore estimated to be 15.39 million.

The table above indicates the net asset value of Dealt’s equity, post-transaction on a control basis, ranges from \$6.0m to \$7.0m or \$0.39 to \$0.46 per share.

9.2. Conclusion as to the FMV of a Dealt share, post-transaction, on a minority basis

Our FMV valuation range post-transaction using the NAV methodology represents a controlling interest value. For the purposes of our NAV valuation methodology in accordance with Section 611 of the Corporations Act, we have applied a minority discount to assess the FMV of a Dealt share after the Proposed Transaction, on a minority basis.

A summary of our valuation is set out below.

Table 28: FMV of a Dealt share on a minority basis using the NAV approach

\$	Low	Mid	High
Value of a Dealt share post-transaction, using the NAV method (on a control basis)	0.39	0.42	0.46
Minority discount	20%	18%	17%
Value of a Dealt share post-transaction, using the NAV method (on a minority basis)	0.31	0.35	0.38

Source: BDOCF analysis

We consider a preferred value of \$0.31 to \$0.38 to be appropriate for a Dealt share, post-transaction on a minority basis.

10. ASSESSMENT OF FAIRNESS

Our analysis has been performed by comparing:

- ▶ the FMV of a Dealt share prior to the Proposed Transaction on a control basis, and
- ▶ the FMV of a Dealt share after the Proposed Transaction on a minority basis.

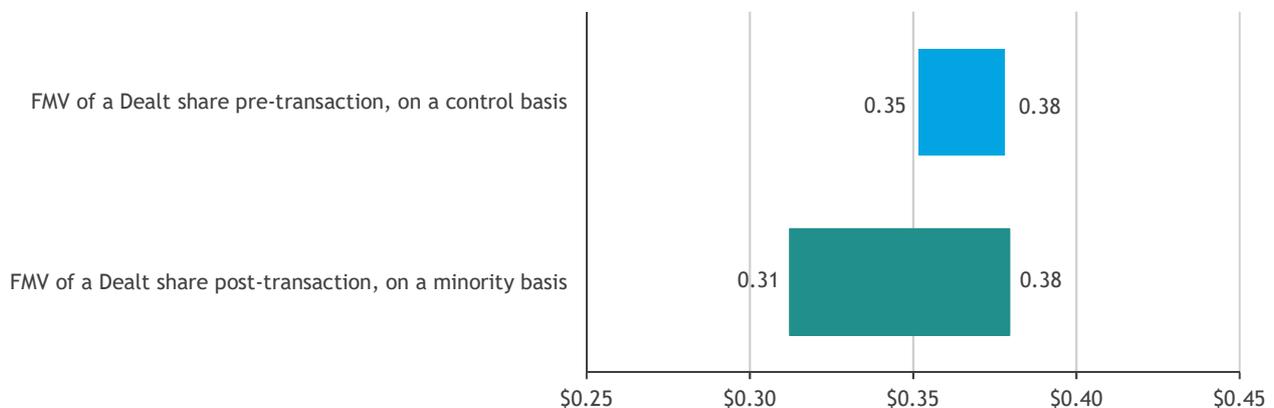
The result of our fairness analysis is summarised below.

Table 29: Fairness summary

\$	Low	Mid	High
FMV of a Dealt share pre-transaction, on a control basis	0.35	0.37	0.38
FMV of a Dealt share post-transaction, on a minority basis	0.31	0.35	0.38

Source: BDOCF analysis

Figure 4: Graphical summary of fairness assessment



Source: BDOCF analysis

Based on the above, the FMV of a Dealt share after the Proposed Transaction, on a minority basis, is in line with the value of a Dealt share prior to the Proposed Transaction, on a control basis. The Proposed Transaction is therefore fair to the Shareholders.

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time. Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in the light of material information existing at the valuation date that subsequently becomes known to us.

11. REASONABLENESS ASSESSMENT

In accordance with RG 111 an offer is reasonable if it is fair. On this basis, the Proposed Transaction is reasonable to the Shareholders.

Nevertheless, we have set out a summary of other factors we consider relevant in assisting Shareholders in deciding whether or not to vote in favour of the Proposed Transaction in the following table.

Table 30: Proposed advantages and disadvantages

Advantages	
The Proposed Transaction is fair	Based on our fairness assessment, the FMV of a Dealt share after the Proposed Transaction, on a minority basis, is above the value of a Dealt share prior to the Proposed Transaction, on a control basis. The Proposed Transaction is therefore fair to the Shareholders.
The value of DSS is greater than the financial benefit to be paid	As noted in Section 8.4 of this IER, the fair value of the asset to be acquired (\$3.5m to \$4.5m) is greater than the fair value of the financial benefit to be paid (\$3.2m to \$3.4m).
The acquisition of DSS provides a new strategic direction for the operations of Dealt	Dealt seeks to acquire DSS in the Proposed Transaction and repurpose the Company's operations to be an online marketplace/ brokerage for commercial real estate loans, and over time pursue acquisitions of other early-stage technology companies. The DSS platform continues to grow with 42 suitable deals introduced to the platform from 1 March 2021 to 31 July 2021. The Company may not be able to continue operating or repurpose the Company without this acquisition.
Ability to leverage 360 Capital Group's expertise	The combined group comprising Dealt and DSS may be able to leverage off the experience of the 360 Capital Group.
Increase in size and scale of Dealt	If the Proposed Transaction is approved, there will be approximately 15.4 million shares on issue, a 35% increase in Dealt shares outstanding.
Disadvantages	
Shareholders' investment profile will change as a result of the Proposed Transaction	Dealt shareholders will be exposed to different risk profiles if the Proposed Transaction is approved. Dealt is a residential property company that is involved in the development and sale of residential properties. The Company is not currently developing any properties, and has planned to dispose of its remaining development sites in an orderly manner and explore an alternative business strategy. In contrast, DSS is a financial technology company that has developed an online real estate loan origination platform. As a result of the above, Dealt shareholders may not wish to be exposed to the adjusted risk profile of the enlarged group following the Proposed Transaction.
Dealt shares will be removed from the ASX	If the Proposed Transaction is approved, the Company will be delisted and removed from the Official List. Whilst this will result in reduced listing costs and various requirements of the ASX Listing Rules will no longer apply, Shareholders will no longer have the ability to sell shares and realise their investment in the Company via the ASX. The Company will not be able to raise capital from public listed equity capital market. Before the shares are removed from the ASX, the suspension of the Company's shares will be lifted, providing Shareholders with the opportunity to trade their shares on the ASX for a two week period. We note that in the absence of an alternative transaction, it is likely that Dealt will remain suspended, and the value of Dealt shares will continue to diminish as the Company continues to incur operating costs of c. \$1.2m per annum.

Table 30: Proposed advantages and disadvantages (cont'd)

Disadvantages (cont'd)	
Early stage nature of DSS	DSS is an e-commerce, start-up company in the financial technology space. The acquisition of DSS increases the overall risk profile of Dealt shares.
Controlling shareholder	If the Proposed Transaction is approved, the 360 Capital Group and its associates will have a voting power in Dealt of 34.3%. With this shareholding, the 360 Capital Group will be able to significantly influence and control the direction of the business.
Other considerations	
Future of Dealt if the Proposed Transaction is rejected	If the Proposed Transaction is rejected by Shareholders, the Company will undertake a further review that may include an orderly sale of the Company assets and ultimately winding up and distribution of remaining assets to Dealt shareholders, or exploration of a possible takeover.

Source: BDOCF analysis

Based on the above analysis, we consider the Proposed Transaction to be reasonable to Shareholders for the following key reasons:

- ▶ The fair value of the asset to be acquired (DSS) exceeds the fair value of the financial benefit to be paid, therefore the acquisition of DSS is fair and reasonable for the purposes of ASX Listing Rule 10.1.
- ▶ The DSS platform continues to grow with 42 suitable deals introduced to the platform from 1 March 2021 to 31 July 2021. The acquisition of DSS will enable Dealt to continue operating with a new strategic direction.

12. OVERALL OPINION

We have considered the terms of the Proposed Transaction, as outlined in this Report, and have concluded that the Proposed Transaction is fair and reasonable to Shareholders.

13. QUALIFICATIONS, DECLARATIONS AND CONSENTS

13.1. Qualifications

BDOCF is the licensed corporate finance arm of BDO Group Holdings Limited. BDOCF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr David McCourt, B.Bus, CA, is a director of BDOCF. Mr McCourt is also a partner of BDO Group Holdings Limited. Mr McCourt has been responsible for the preparation of this IER.

Mr McCourt has over 20 years of experience in a number of specialist corporate advisory activities including company valuations, financial modelling, preparation and review of business feasibility studies, accounting, advising on mergers and acquisitions and advising on independent expert reports. Accordingly, Mr McCourt is considered to have the appropriate experience and professional qualifications to provide the advice offered.

Mr Sebastian Stevens, B.Bus, CPA is a Director of BDOCF. Mr Stevens is also a partner of BDO Group Holdings Limited.

Mr Stevens is the Director responsible for the review of this IER. Mr Stevens has over 25 years of experience in a number of specialist corporate advisory activities including company valuations advising on independent expert reports, due diligence investigations, preparation and review of business feasibility studies, public company floats, accounting, advising on mergers and acquisitions, preparation of information memoranda and other corporate investigations. Accordingly, Mr Stevens is considered to have the appropriate experience and professional qualifications to provide the advice offered.

13.2. Independence

BDOCF is not aware of any matter or circumstance that would preclude it from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

BDOCF considers itself to be independent in terms of RG 112 independence of experts, issued by ASIC.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for Dealt or 360 Capital Group in relation to the Proposed Transaction. Further, BDO has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with Dealt that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

13.2.1. Previously issued draft opinion

BDOCF released a full draft copy of this report to the Directors of Dealt on 15 June 2021. Our conclusion in the report dated 15 June 2021 was that the Proposed Transaction was not fair but reasonable.

Our conclusion in this IER was amended to be fair and reasonable due to the following two factors:

- ▶ The reported net assets fell from \$6.1m as at 31 May 2021 to \$5.8m as at 30 June 2021; and
- ▶ The proportion of the Transaction Consideration paid in shares was reduced from 90% to 50%.

13.2.2. Previous engagements

BDOCF has previously been engaged by the 360 Capital Group to provide a limited scope valuation of the shares in DSS. The DSS business at the time of the limited scope valuation was substantially less developed than the current business. We have previously valued share based payments for the 360 Capital Group. In our opinion none of these previous engagements have impacted our independence.

BDOCF has previously prepared an IER for Velocity Property Group Limited dated 22 December 2020 in relation to the:

- ▶ proposed acquisition of shares of Digital Software Solutions Pty Ltd and AMF Finance Pty Ltd from 360 Capital Group Limited;
- ▶ proposed Investment Management Agreement with 360 Capital FM Limited
- ▶ proposed Responsible Entity Fee with 360 Capital FM Limited
- ▶ proposed Financial Advisory Fee with Cambridge Investment Partners Pty Limited.

In our opinion none of these previous engagements have impacted our independence.

BDOCF will receive a fee of up to \$15,000 plus Goods and Services Tax for the preparation of this IER. BDOCF will not receive any fee contingent upon the outcome of the Proposed Transaction, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Proposed Transaction.

13.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and the Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without the written consent of BDOCF. BDOCF accepts no responsibility to any person other than the Directors and the Shareholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon BDOCF's consideration and assessment of information provided by the Directors, executives and Management of the Company.

APPENDIX 1: GLOSSARY

Term	Definition
360 Capital	360 Capital Group Limited
360 Capital Group	360 Capital Group Limited and its associated entities
APES 225	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
ASIC	Australian Securities & Investments Commission
360 Capital	360 Capital Group Limited
360 Capital Group	360 Capital and its associated entities
360 Management	Management of 360 Capital Group
ASX	Australian Securities Exchange
BDOCF, we, our or us	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
COE	Capitalisation of earnings
Corporations Act	Corporations Act 2001
DCF	Discounted cash flow method
DSS	Digital Software Solutions Pty Ltd
Dealt or the Company	Dealt Limited
Directors	Independent Directors of Dealt Limited
EBIT	Earnings before interest and taxes
EV	Enterprise value
FME	Future maintainable earnings
FMV	Fair market value
FSG	Financial Services Guide
FY18	Financial year ended/ending 30 June 2018
FY19	Financial year ended/ending 30 June 2019
FY20	Financial year ended/ending 30 June 2020
FY21	Financial year ended/ending 30 June 2021
IER	Independent Expert Report
Licence	Australian Financial Services Licence No: 247420
LTM	Last twelve months
Management	Management of Dealt
NAV	Net asset value
NPAT	Net Profit after Tax
NRV	Net realisable value
Proposed Transaction	Placement of 7,2 million shares of Dealt Limited and \$0.4m cash as consideration for Digital Software Solutions Pty Ltd
QMP	Quoted market price basis
Report or IER	Independent expert's report
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
Shareholders	Shareholders of Dealt not associated with 360 Capital Group
Talos	Talos Digital LLC
TOT	360 Capital REIT
Transaction Consideration	\$4m paid via the issuance of \$2m in shares and \$2m in cash
Transaction Document	Notice of meeting dated on or about 29 July 2021
VWAP	Volume Weighted Average Price

Source: BDOCF

APPENDIX 2: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

- ▶ Draft Notice of Meeting dated on or about 29 July 2021
- ▶ Application for in-principle advice (ASX Listing Rules 1.1 condition 1 and 1.19), dated 25 May 2021
- ▶ Velocity annual reports for the years ended 30 June 2019 and 30 June 2020, interim financial report at 31 December 2020, management accounts for the period ended 31 May 2021, and Statement of comprehensive income and Statement of financial position as at 30 June 2021
- ▶ Management adjustments post 31 December 2020 and pro forma workings as at 30 June 2021
- ▶ 360 Capital Group annual reports for the years ended 30 June 2019 and 30 June 2020
- ▶ DSS management accounts for the years ended 30 June 2018, 30 June 2019, 30 June 2020 and 30 April 2021
- ▶ DSS/Talos share subscription detail including subscription agreement and details of services previously rendered and to be provided
- ▶ Dealt 2021 Share Sale Agreement
- ▶ ASX announcements
- ▶ Discussions with the Independent Directors and management of Dealt and 360 Capital Group
- ▶ Information sourced from CapitalIQ and MergerMarket
- ▶ ASIC guidance notes and regulatory guides as applicable
- ▶ Other generally available public information

APPENDIX 3: VALUATION METHODS - BUSINESSES AND ASSETS

In conducting our assessment of the fair market value of Dealt, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (DCF) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- ▶ the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- ▶ the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (NPV).

DCF is appropriate where:

- ▶ the businesses' earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
- ▶ earnings or cash flows are expected to fluctuate significantly from year to year;
- ▶ the business or asset has a finite life;
- ▶ the business is in a 'start up' or in early stages of development;
- ▶ the business has irregular capital expenditure requirements;
- ▶ the business involves infrastructure projects with major capital expenditure requirements; or
- ▶ the business is currently making losses but is expected to recover.

Capitalisation of Earnings Method

This method involves the capitalisation of normalised earnings by an appropriate multiple. Normalised earnings are the assessed sustainable profits that can be derived by the vendor's business and exclude any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Asset Value Methods

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- ▶ separating the business or entity into components which can be readily sold, such as individual business securities or collection of individual items of plant and equipment and other net assets; and
- ▶ ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- ▶ orderly realisation (NRV): this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- ▶ liquidation: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- ▶ continuing operations (NAV): this is a valuation of the net assets on the basis that the operations of the business will continue. It estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding entity. Adjustments may need to be made to the book value of assets and liabilities to reflect their value based on the continuation of operations.

The net realisable value of a trading entity's assets will generally provide the lowest possible value for the business. The difference between the value of the entity's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where an entity is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding entity, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the entity's value could exceed the realisable value of its assets.

Quoted Market Prices

The price that an entity's security trades on an exchange can be an appropriate basis for valuation where:

- ▶ the security trades in an efficient market place where 'willing' buyers and sellers readily trade the entity's security; and
- ▶ the market for the entity's security is active and liquid.

Other Valuation Considerations

Future events

The businesses of Dealt and DSS to be considered in this valuation is that which exists as at the current date.

Future growth which arises from the commercialisation of the prospective resources has been considered in this valuation through our consideration of the fair market value of the tenements.

Other growth potentials, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of this valuation.



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YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:00 pm (AEST) on Tuesday 21 September 2021.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/detagm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **before 1:00 pm (AEST) on Tuesday 21 September 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/detagm2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Dealt Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **Virtually at <https://web.lumiagm.com/306103207> on Thursday, 23 September, 2021 at 1:00 pm (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1-8). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Re-Elect James Storey as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to the change of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Business Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Shares as Consideration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the increase in the 360 Capital Shareholder and its associates voting power in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of removal from the Official List	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021

Virtual Meeting User Guide

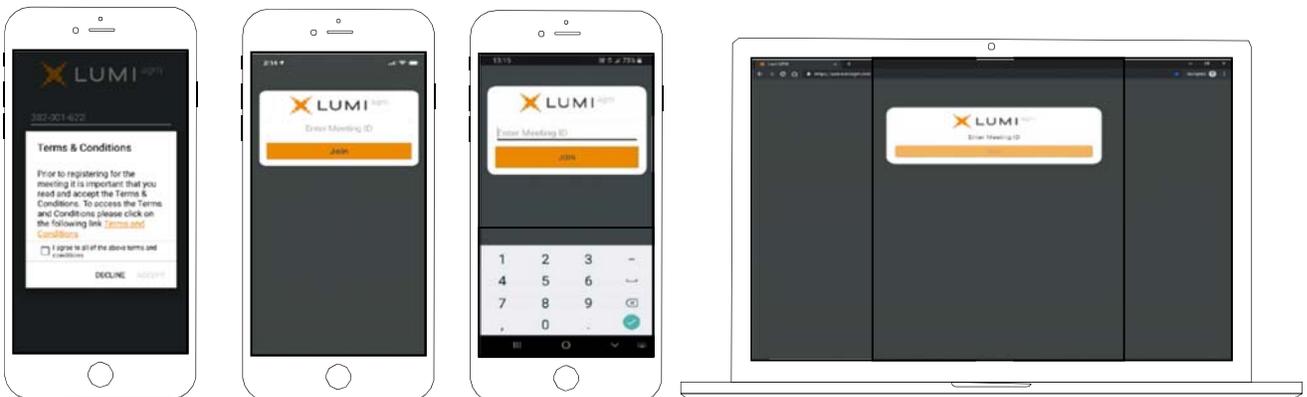
Getting Started

In order to participate in the meeting, please go to <https://web.lumiagm.com> on a computer, laptop, smartphone, tablet or other smart device. You will need the following information:

Meeting ID: 306-103-207

Australian Residents	Username- Voting Access Code (VAC*) and Password (postcode of your registered address) *Voting Access Code (VAC) can be located on the first page of your proxy form or on your notice of meeting email.
Overseas Residents	Username - Voting Access Code (VAC*) and Password (three character country code e.g. New Zealand – NZL. A full list of country codes can be found at the end of this guide.) *Voting Access Code (VAC) can be located on the first page of your proxy form or on your notice of meeting email. A full list of country codes can be found at the end of this guide.
Appointed Proxy	To receive your Username and Password, please contact our share registry, Boardroom Pty Ltd on 1300 737 760 or +61 2 9290 9600 between 8:30am to 5:30pm (Sydney time) Monday to Friday the day before the meeting.

To join the meeting, you will be required to enter the above unique 9 digit meeting ID and select 'Join'. To proceed to registration, you will be asked to read and accept the terms and conditions.



If you are a Shareholder or Proxyholder, select 'I have a login' and enter your Username VAC (Voting Access Code) and Password (postcode or country code). If you are a Proxyholder you will need to enter the unique Username and Password provided by Boardroom and select 'Login'.

If you are not a Shareholder, select 'I am a guest'. You will be asked to enter your name and email details, then select 'Enter'. Please note, guests are not able to ask questions at the meeting.



Navigating

Once you have registered, you will be taken to the homepage which displays your name and meeting information.



To activate the webcast, please click on the **Broadcast bar** at the bottom of the screen. If prompted you may have to click the play button in the window to initiate the broadcast.

Once you select to view the webcast from a smartphone it can take up to approximately 30 seconds for the livefeed to appear on some devices. If you attempt to log into the app before the Meeting commences, a dialog box will appear.

NOTE: We recommend once you have logged in, you keep your browser open for the duration of the meeting. If you close your browser you will be asked to repeat the log in process.

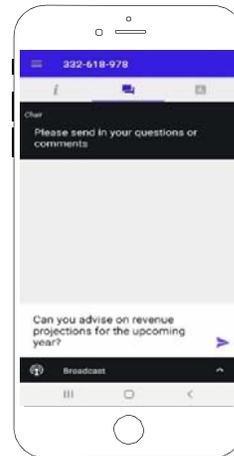


To ask a Question

If you would like to ask a question:

1. Select the question icon 
2. Compose your question.
3. Select the send icon 
4. You will receive confirmation that your question has been received.

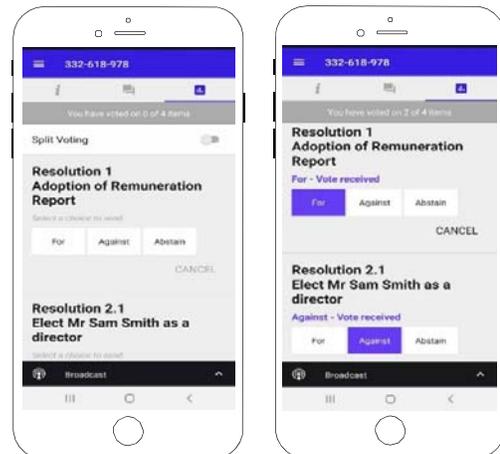
The Chair will give all Shareholders a reasonable opportunity to ask questions and will endeavour to answer all questions at the Meeting.



To Vote

If you would like to cast a vote:

1. When the Chair declares the polls open, the resolutions and voting choices will appear.
2. Press the option corresponding with the way in which you wish to vote.
3. Once the option has been selected, the vote will appear in blue.
4. If you change your mind and wish to change your vote, you can simply press the new vote or cancel your vote at any time before the Chair closes the polls.
5. Upon conclusion of the meeting the home screen will be updated to state that the meeting is now closed.



Need help? If you require any help using this system prior to or during the Meeting, please call **1300 737 760** or **+61 2 9290 9600** so we can assist you

Country Codes

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW	Aruba
AFG	Afghanistan
AGO	Angola
AIA	Anguilla
ALA	Aland Islands
ALB	Albania
AND	Andorra
ANT	Netherlands Antilles
ARE	United Arab Emirates
ARG	Argentina
ARM	Armenia
ASM	American Samoa
ATA	Antarctica
ATF	French Southern
ATG	Antigua & Barbuda
AUS	Australia
AUT	Austria
AZE	Azerbaijan
BDI	Burundi
BEL	Belgium
BEN	Benin
BFA	Burkina Faso
BGD	Bangladesh
BGR	Bulgaria
BHR	Bahrain
BHS	Bahamas
BIH	Bosnia & Herzegovina
BLM	St Barthelemy
BLR	Belarus
BLZ	Belize
BMU	Bermuda
BOL	Bolivia
BRA	Brazil
BRB	Barbados
BRN	Brunei Darussalam
BTN	Bhutan
BUR	Burma
BVT	Bouvet Island
BWA	Botswana
CAF	Central African Republic
CAN	Canada
CCK	Cocos (Keeling) Islands
CHE	Switzerland
CHL	Chile
CHN	China
CIV	Cote D'ivoire
CMR	Cameroon
COD	Democratic Republic of Congo
COK	Cook Islands
COL	Colombia
COM	Comoros
CPV	Cape Verde
CRI	Costa Rica
CUB	Cuba
CYM	Cayman Islands
CYP	Cyprus
CXR	Christmas Island
CZE	Czech Republic
DEU	Germany
DJI	Djibouti
DMA	Dominica
DNK	Denmark
DOM	Dominican Republic

DZA	Algeria
ECU	Ecuador
EGY	Egypt
ERI	Eritrea
ESH	Western Sahara
ESP	Spain
EST	Estonia
ETH	Ethiopia
FIN	Finland
FJI	Fiji
FLK	Falkland Islands (Malvinas)
FRA	France
FRO	Faroe Islands
FSM	Micronesia
GAB	Gabon
GBR	United Kingdom
GEO	Georgia
GGY	Guernsey
GHA	Ghana
GIB	Gibraltar
GIN	Guinea
GLP	Guadeloupe
GMB	Gambia
GNB	Guinea-Bissau
GNQ	Equatorial Guinea
GRC	Greece
GRD	Grenada
GRL	Greenland
GTM	Guatemala
GUF	French Guiana
GUM	Guam
GUY	Guyana
HKG	Hong Kong
HMD	Heard & Mcdonald Islands
HND	Honduras
HRV	Croatia
HTI	Haiti
HUN	Hungary
IDN	Indonesia
IMN	Isle Of Man
IND	India
IOT	British Indian Ocean Territory
IRL	Ireland
IRN	Iran Islamic Republic of
IRQ	Iraq
ISM	Isle of Man
ISL	Iceland
ISR	Israel
ITA	Italy
JAM	Jamaica
JEY	Jersey
JOR	Jordan
JPN	Japan
KAZ	Kazakhstan
KEN	Kenya
KGZ	Kyrgyzstan
KHM	Cambodia
KIR	Kiribati
KNA	St Kitts And Nevis
KOR	Korea Republic of
KWT	Kuwait
LAO	Laos
LBN	Lebanon

LBR	Liberia
LBY	Libyan Arab Jamahiriya
LCA	St Lucia
LIE	Liechtenstein
LKA	Sri Lanka
LSO	Lesotho
LTU	Lithuania
LUX	Luxembourg
LVA	Latvia
MAC	Macao
MAF	St Martin
MAR	Morocco
MCO	Monaco
MDA	Republic Of Moldova
MDG	Madagascar
MDV	Maldives
MEX	Mexico
MHL	Marshall Islands
MKD	Macedonia Former Yugoslav Rep
MLI	Mali
MLT	Mauritania
MMR	Myanmar
MNE	Montenegro
MNG	Mongolia
MNP	Northern Mariana Islands
MOZ	Mozambique
MRT	Mauritania
MSR	Montserrat
MTQ	Martinique
MUS	Mauritius
MWI	Malawi
MYS	Malaysia
MYT	Mayotte
NAM	Namibia
NCL	New Caledonia
NER	Niger
NFK	Norfolk Island
NGA	Nigeria
NIC	Nicaragua
NIU	Niue
NLD	Netherlands
NOR	Norway Montenegro
NPL	Nepal
NRU	Nauru
NZL	New Zealand
OMN	Oman
PAK	Pakistan
PAN	Panama
PCN	Pitcairn Islands
PER	Peru
PHL	Philippines
PLW	Palau
PNG	Papua New Guinea
POL	Poland
PRI	Puerto Rico
PRK	Korea Dem Peoples Republic of
PRT	Portugal
PRY	Paraguay
PSE	Palestinian Territory Occupied
PYF	French Polynesia
QAT	Qatar
REU	Reunion

ROU	Romania
RUS	Russian Federation
RWA	Rwanda
SAU	Saudi Arabia Kingdom Of
SDN	Sudan
SEN	Senegal
SGP	Singapore
SGS	Sth Georgia & Sth Sandwich Isl
SHN	St Helena
SJM	Svalbard & Jan Mayen
SLB	Solomon Islands
SCG	Serbia & Outlying
SLE	Sierra Leone
SLV	El Salvador
SMR	San Marino
SOM	Somalia
SPM	St Pierre And Miquelon
SRB	Serbia
STP	Sao Tome And Principe
SUR	Suriname
SVK	Slovakia
SVN	Slovenia
SWE	Sweden
SWZ	Swaziland
SYC	Seychelles
SYR	Syrian Arab Republic
TCA	Turks & Caicos Islands
TCD	Chad
TGO	Togo
THA	Thailand
TJK	Tajikistan
TKL	Tokelau
TKM	Turkmenistan
TLS	Timor-Leste
TMP	East Timor
TON	Tonga
TTO	Trinidad & Tobago
TUN	Tunisia
TUR	Turkey
TUV	Tuvalu
TWN	Taiwan
TZA	Tanzania United Republic of
UGA	Uganda
UKR	Ukraine
UMI	United States Minor
URY	Uruguay
USA	United States of America
UZB	Uzbekistan
VNM	Vietnam
VUT	Vanuatu
WLF	Wallis & Futuna
WSM	Samoa
YEM	Yemen
YMD	Yemen Democratic
YUG	Yugoslavia Socialist Fed Rep
ZAF	South Africa
ZAR	Zaire
ZMB	Zambia
ZWE	Zimbabwe