840 Hunter Street, Newcastle NSW 2300
+61 2 4047 9987
hello@alloggio.com.au
alloggio.com.au

ASX Announcement (ALO)

Scheme Booklet Registered with ASIC

10 July 2023: Alloggio Group Limited (**ASX:ALO** or **Alloggio**) refers to the announcements made on 27 March 2023 and 13 June 2023 in relation to the proposed acquisition of 100% of ALO Shares by Next Capital Pty Limited (**Next Capital**), by way of a scheme of arrangement (**Scheme**), and the orders made by the Federal Court approving the convening of the Scheme Meetings (as defined below) to consider and vote on the proposed Scheme and approving the dispatch of an explanatory statement providing information about the Scheme and notice of each Scheme Meeting (**Scheme Booklet**) to Alloggio Shareholders.

Scheme Booklet

Alloggio confirms that the Scheme Booklet has been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet, which includes the Independent Expert's Report and notice of each Scheme Meeting, is attached to this announcement as Annexure A and will be made available electronically for viewing and downloading at https://www.alloggio.com.au/.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as the proxy forms, are expected to be dispatched to Alloggio Shareholders shortly.

The Scheme Booklet provides Alloggio Shareholders with important information about the Scheme. Alloggio Shareholders are advised to read the Scheme Booklet carefully in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Independent Expert's Report

The Scheme Booklet includes a copy of the Independent Expert's Report prepared by BDO Corporate Finance (East Coast) Pty Ltd (**Independent Expert**). The Independent Expert has concluded that the Cash Scheme Consideration of $0.24 per Alloggio Share is in the best interests of Alloggio Shareholders, in the absence of a superior proposal.

The Independent Expert has assessed the value of the equity of ALO to be in the range of $0.22 to $0.25 per ALO Share. The Scheme Consideration of

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+61 2 4047 9987
hello@alloggio.com.au
alloggio.com.au

$0.24 per ALO Share falls within the Independent Expert's assessed valuation range.

The Independent Expert is also of the view that the Founding Shareholders are not receiving a superior offer to the General ALO Shareholders under the Scheme (being all Alloggio shareholders other than the Founding Shareholders as defined below) and that the market value of the Bidder HoldCo Shares to be issued to the Founding Shareholders as Scrip Scheme Consideration, immediately following the Implementation of the Scheme, is no greater than the Cash Scheme Consideration being paid to General ALO Shareholders under the Scheme.

The Independent Expert's conclusions should be read in context with the full Independent Expert's Report which is Annexure C of the Scheme Booklet.

Recommendation of the Alloggio Board

The Independent Board Committee Members of Alloggio have carefully considered the offer from Next Capital and unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders.

The remaining directors of Alloggio, William Creedon and Karen Howard, are not making a recommendation to General ALO Shareholders in their capacity as directors of Alloggio, due to their Alloggio shares forming a different class of shares in the Scheme.

Scheme Meetings

A meeting of General ALO Shareholders (being all Alloggio Shareholders other than the Founding Shareholders (as defined below)) (**General Scheme Meeting**) is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on **15 August 2023**, virtually via the online meeting platform at https://investor.automic.com.au.

A separate meeting for the entities controlled by William Creedon and Karen Howard (together, the **Founding Shareholders**) (**Founding Shareholders Scheme Meeting**, together with the General Scheme Meeting, the **Scheme Meetings**), is scheduled to take place virtually at 10.00am on **15 August 2023** or as soon thereafter as the General Scheme Meeting has concluded or is adjourned.

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General ALO Shareholders who participate in the General Scheme Meeting via the online platform will be able to listen to the General Scheme Meeting, ask questions and make comments.

Assuming the Scheme Meetings are held on 15 August 2023, each registered Alloggio Shareholder as at 7.00pm AEST (Sydney, Melbourne) on 13 August 2023 will be eligible to vote at the Scheme Meeting applicable to them.
All Alloggio shareholders are encouraged to vote either by completing and returning the proxy form or by attending virtually or by proxy, attorney or corporate representative. The relevant notice of Scheme Meeting provides Alloggio shareholders with information on how to lodge the proxy form (if applicable).

Shareholders are encouraged to vote as early as possible.

Alloggio shareholders should carefully read the Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. Alloggio Shareholders should also seek professional advice on their individual circumstances, as appropriate.

Unless otherwise indicated, capitalised terms used in this announcement have the meaning given to them in the Scheme Booklet dated 7 July 2023.

ENDS

This announcement has been approved by the Board of Alloggio Group Limited.

Further enquiries
If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1327 (outside Australia), Monday to Friday (excluding public or bank holidays in Sydney, Australia) between 9.00am and 5.00pm AEST (Sydney, Melbourne).

Michael Potts - Company Secretary
companysecretary@alloggio.com.au

alloggio

Scheme Booklet

For a scheme of arrangement in relation to the proposed acquisition of Alloggio Group Limited (**ASX:ALO** or **Alloggio**) by ALO Bidco Pty Ltd (**Bidder Nominee**), a special purpose vehicle of Next Capital Pty Limited (**Next Capital**).

Vote in Favour

THE BOARD OF ALLOGGIO (EXCLUDING THE FOUNDERS WHO HAVE ABSTAINED FROM MAKING A RECOMMENDATION DUE TO THE OFFER OF ROLLOVER SHARES UNDER THE SCHEME) (**INDEPENDENT BOARD COMMITTEE**) UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME, IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE SCHEME IS IN THE BEST INTERESTS OF GENERAL ALO SHAREHOLDERS.

Subject to those same qualifications, each member of the Independent Board Committee intends to vote, or cause to be voted, all ALO shares held or controlled by them in favour of the Scheme.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia), Monday to Friday on Business Days between 9.00am and 5.00pm AEST (Sydney, Melbourne).

This Scheme Booklet is dated 7 July 2023.

Issuer
Alloggio Group Limited
(ACN 645 582 225)

Financial Adviser

ACTUITY CAPITAL PARTNERS

Legal Adviser

TRAVIS PARTNERS

Important Notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote on the applicable Scheme Resolution. You should also consult your legal, financial tax or other professional adviser.

Capitalised terms used in this Scheme Booklet are defined either in the Glossary set out in Section 13 or where the relevant term first appears. Please note that some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 13.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to:

- explain the terms of the Scheme;
- explain the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majorities of Alloggio Shareholders and by the Court); and
- provide information as is prescribed or otherwise material to the decision of Alloggio Shareholders on whether or not to approve the Scheme by voting in favour of the applicable Scheme Resolution, being information that is within the knowledge of the Alloggio Directors and has not previously been disclosed to Alloggio Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to Alloggio Shareholders in relation to the Scheme pursuant to section 412(1) of the Corporations Act.

Status of Scheme Booklet

This Scheme Booklet does not constitute or contain an offer to Alloggio Shareholders, or a solicitation of an offer from Alloggio Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under section 411(1). Instead, Alloggio Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

No financial product advice

The information contained in this Scheme Booklet is not financial product or investment advice. Neither Alloggio nor Bidder are licensed to provide financial product advice.

Investment decisions

This Scheme Booklet is intended for Alloggio Shareholders collectively and does not take into account the investment objectives, financial situation, tax position or particular needs of any Alloggio Shareholder or any other person. It is important that you consider the information in this Scheme Booklet in light of your particular circumstances.

This Scheme Booklet should not be relied on as the sole basis for any investment decision in relation to ALO Shares and any decision as to whether or not to vote in favour of the Transaction. The Alloggio Directors encourage you to seek independent legal, financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Transaction. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Transaction. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 10, and the views of the Independent Expert set out in the Independent Expert's Report contained in Appendix C. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

Responsibility for information

Alloggio has prepared, and is responsible for, the Alloggio Information contained in this Scheme Booklet. None of the Bidder Group Members or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Alloggio Information or any part of it.

The Bidder Group has prepared, and is responsible for, the Bidder Information contained in this Scheme Booklet. None of the Alloggio Group Members, or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Bidder Information or any part of it.

BDO has prepared, and is responsible for, the Independent Expert's Report. None of the Alloggio Group Members and their respective directors, officers, employees or advisers, nor the Bidder Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report or any part of it, except in the case of Alloggio, to the extent that information has been provided by Alloggio to BDO for the purpose of preparing the Independent Expert's Report.

Maxim Advisors has provided, and is responsible for, the information contained in Section 11 (Taxation implications for Scheme Shareholders). None of the Alloggio Group Members and their respective directors, officers, employees or advisers, nor the Bidder Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in Section 11 or any part of it.

Maxim Advisors does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Section 11 (Taxation implications for Scheme Shareholders) which is general in nature. The exact tax consequences for each Alloggio Shareholder will depend on their specific circumstances. In this regard, Alloggio Shareholders should seek their own independent professional tax advice based on their particular circumstances.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Role of ASIC and ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. A copy of this Scheme Booklet has also been lodged with ASX.

Alloggio has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the no objections statement, it will be

produced to the Court on the Second Court Date. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meetings be convened and has directed that this Scheme Booklet accompany the Notice of General Scheme Meeting (Appendix A) and Notice of Founding Shareholders Scheme Meeting (Appendix B) does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Alloggio Shareholders should vote (on this matter Alloggio Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet.

The order of the Court that the Scheme Meetings be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Scheme Meetings

The Notice of General Scheme Meeting is set out in Appendix A and the Notice of Founding Shareholders Scheme Meeting is set out in Appendix B. A reference to 'the Scheme Booklet' in each of the Notice of General Scheme Meeting and the Notice of Founding Shareholders Scheme Meeting will be taken to include any supplementary scheme booklet released in relation to the Scheme.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Alloggio Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Forward looking statements

Certain statements in this Scheme Booklet (including in the Independent Expert's Report) relate to the future. Such forward looking statements, which include information relating to the performance of Alloggio or the Alloggio Group, are not based on historical facts but rather reflect the current expectations of Alloggio (in relation to the Alloggio Information) and the Bidder Group (in relation to the Bidder Information). Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intend', 'foresee', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', 'target' or other similar words and phrases. Similarly, statements that describe Alloggio's, or the Bidder Group's objectives, plans, goals or expectations may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and assumptions and are subject to a variety of other factors that could cause the actual results or performance of Alloggio to be materially different from what is expressed or implied by such statements. Some of the risks that Alloggio Shareholders may be exposed to in relation to the Scheme are set out in Section 10. Forward looking statements are based on numerous assumptions regarding present and future business strategies and the industries as well as the general economic environment in which the Alloggio Group and the Bidder Group will operate in the future. Actual events or results may differ materially from events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of the Alloggio Group Members, the Bidder Group Members or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, undue reliance should not be placed on forward looking statements.

Alloggio Shareholders should note that the historical performance of Alloggio is no assurance of Alloggio's future performance. Other than as required by law, none of the Alloggio Group Members, the Bidder Group Members or any of their respective directors, officers, employees or advisers represents that, or gives any assurance or guarantee that, the occurrence of events expressed or implied in any forward looking statements will actually occur.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of intention in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change.

Opinions, projections, forecasts, targets, and outlook statements given in this Scheme Booklet are not guidance. As explained above, forward looking statements involve uncertainty and are subject to change.

Subject to any continuing obligations under law or the Listing Rules, Alloggio and the Alloggio Directors, officers, employees and advisers disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or change in events, conditions or circumstance on which a statement is based.

Privacy and personal information

Alloggio and the Bidder Group Members may need to collect personal information to implement the Scheme. The personal information it may collect includes the names, contact details, bank account details and other details of Alloggio Shareholders, as well as the names and contact details of individuals appointed by Alloggio Shareholders as proxies, attorneys or corporate representatives to attend and vote at the Scheme Meetings. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Alloggio to conduct the Scheme Meetings and implement the Scheme. Without this information,

Alloggio may be hindered in its ability to issue the Scheme Booklet and implement the Scheme.

The personal information described above may be disclosed to the Alloggio Registry, securities brokers, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meetings), Related Bodies Corporate of Alloggio, Government Agencies and also where disclosure is required or allowed by law. Personal information may also be used to contact Alloggio Shareholders in relation to the Scheme.

Alloggio Shareholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected in relation to them. An individual who wishes to exercise any of these rights should contact the Alloggio Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne) on Monday to Friday. Third parties who receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements.

Alloggio Shareholders who appoint an individual as their proxy, attorney or corporate representative to attend and vote at the Scheme Meetings should inform him or her of the matters outlined above. Further information about how Alloggio collects, uses and discloses personal information is contained in Alloggio's Privacy Policy located at https://www.alloggio.com.au/privacy-policy.

Sections and appendices

A reference to a Section or an Appendix is a reference to a section of, or appendix to, this Scheme Booklet, unless otherwise stated.

Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary or in the Scheme Implementation Deed.

References to time

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, Australia.

References to currency

Unless expressly stated otherwise, all references in this Scheme Booklet to '$', 'A$' or 'AUD' are references to Australian currency.

Effect of rounding

A number of figures amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures sand figures referred to in other parts of this Scheme Booklet are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available as at Last Practicable Date.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

Defined terms

A number of defined terms are used in this Scheme Booklet. Capitalised terms used in this Scheme Booklet are defined in Section 13 of this Scheme Booklet. Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 13.

References to websites

Information contained in or accessible through the websites mentioned in this Scheme Booklet do not form part of this Scheme Booklet. All references in this Scheme Booklet to websites are for information only.

Alloggio Shareholder Information Line

If you have any questions about this Scheme Booklet or the Scheme, you should call the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne), Monday to Friday.

Date

This Scheme Booklet is dated 7 July 2023.

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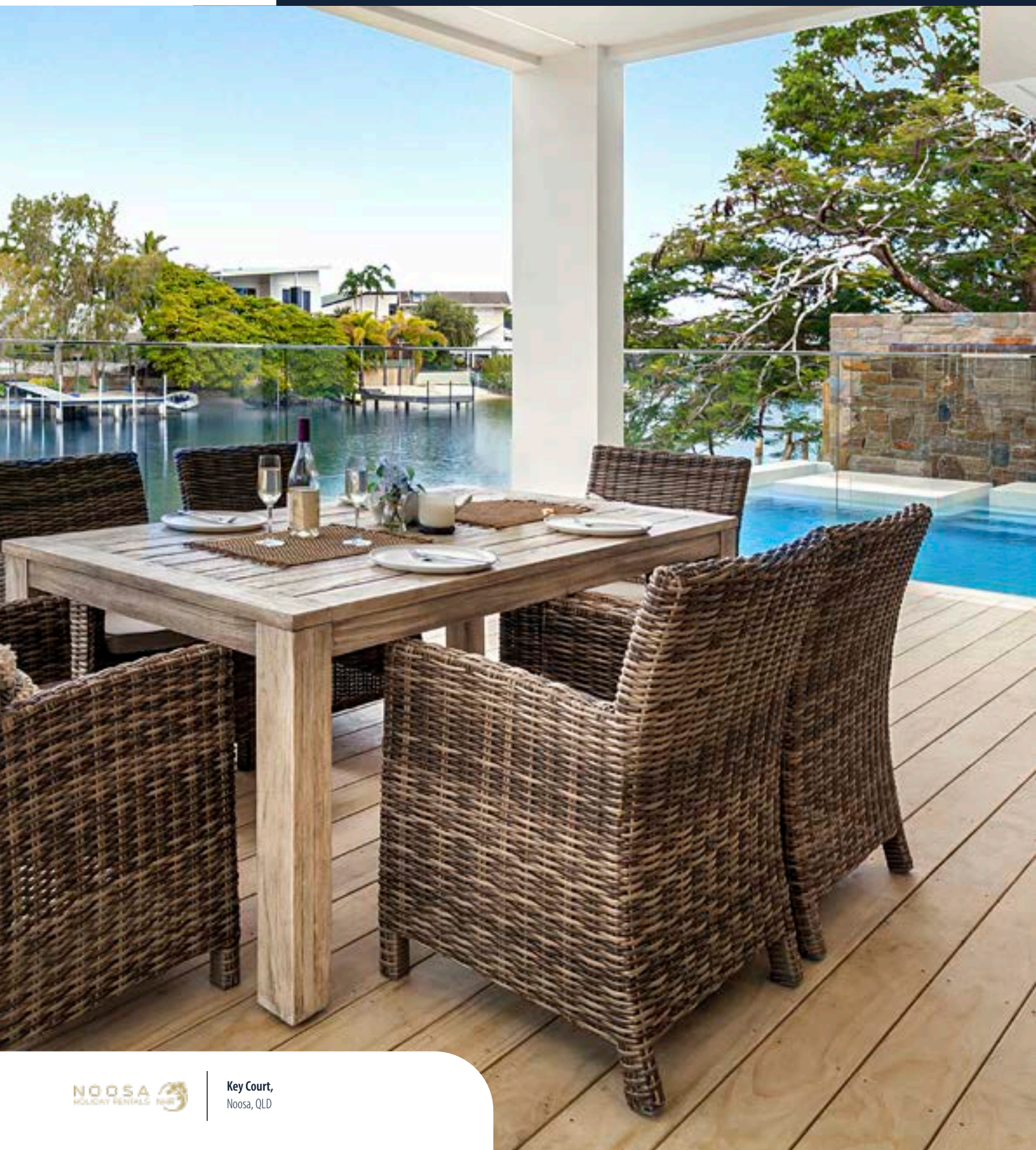
Section 1

Key Dates



Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, Australia.

Event	Date and Time
First Court Date at which the Court made orders convening the Scheme Meetings	7 July 2023 at 10.15am
Proxy Forms for Scheme Meetings Latest time and date for receipt of Proxy Forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representatives to be received by the Alloggio Registry for the Scheme Meetings	13 August 2023 at 9.30am
Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meetings	13 August 2023 at 7.00pm
General Scheme Meeting To be held virtually through an online meeting platform powered by Automic at https://investor.automic.com.au General ALO Shareholders and their authorised proxies, attorneys and corporate representatives may participate and vote at the General Scheme Meeting via the online platform. Further details relating to the General Scheme Meeting are set out in the Notice of General Scheme Meeting in Appendix A.	15 August 2023 at 9.30am
Founding Shareholders Scheme Meeting To be held immediately following the General Scheme Meeting virtually through an online meeting platform powered by Automic at https://investor.automic.com.au Further details relating to the Founding Shareholders Scheme Meeting are set out in the Notice of Founding Shareholders Scheme Meeting in Appendix B.	15 August 2023 at 10.00am or as soon thereafter as the General Scheme Meeting has concluded or is adjourned

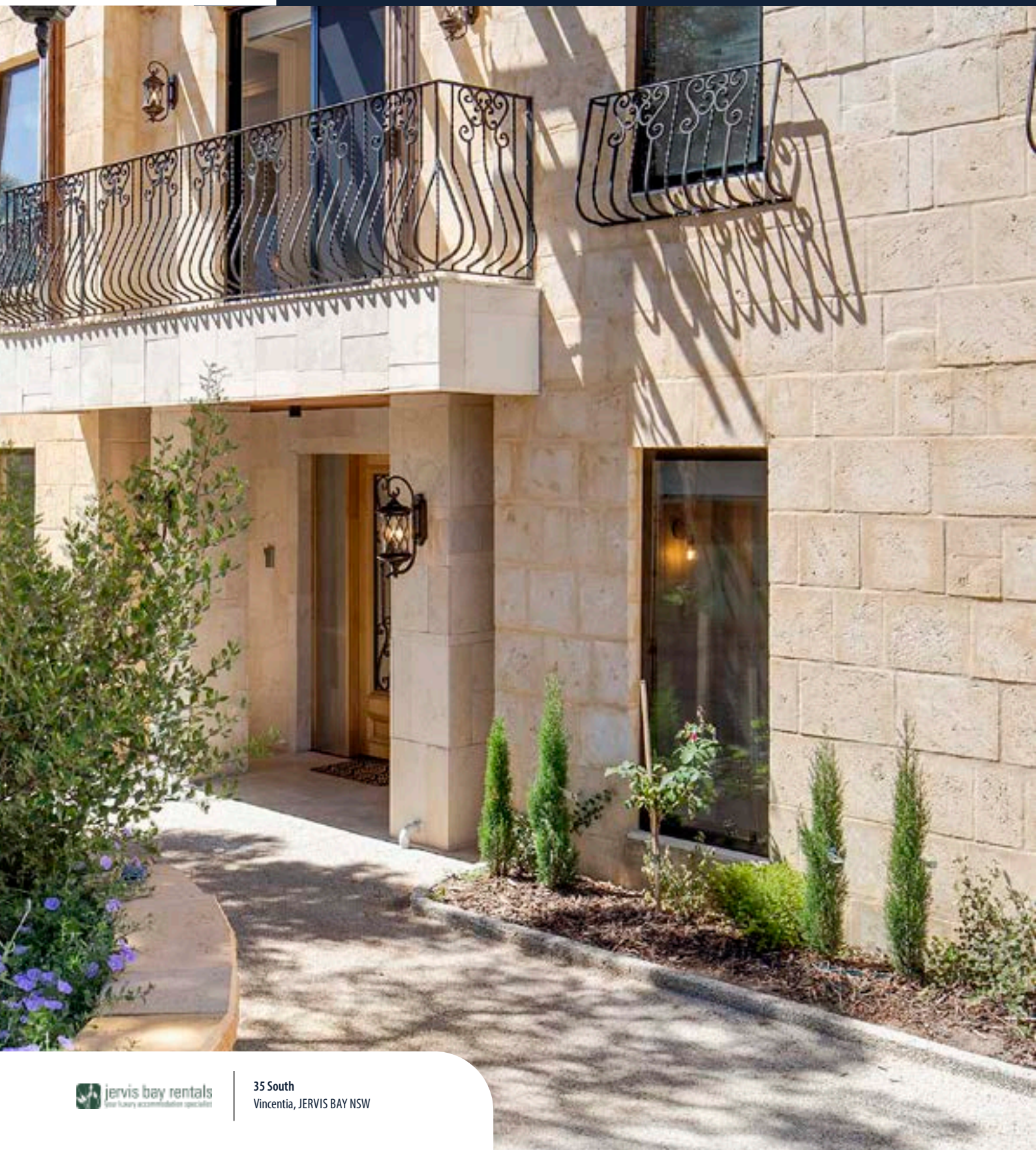
If the Scheme is approved by Alloggio Shareholders at the Scheme Meetings	
Second Court Date to seek Court orders approving the Scheme	28 August 2023 at 10.15am
Effective Date The date on which the Scheme becomes Effective and is binding on Alloggio Shareholders	28 August 2023
Scheme Record Date Time and date for determining entitlements to Scheme Consideration	30 August 2023 at 7.00pm
Implementation Date The date on which the Scheme will be implemented and Scheme Consideration will be paid	6 September 2023

Please note that all of the above times and dates are indicative only and subject to change. Alloggio may vary any or all of these times and dates. Further, certain times and dates are conditional on the approval of the Scheme by ALO Shareholders and by the Court. Any changes will be announced by Alloggio through ASX and notified on Alloggio's website at https://www.alloggio.com.au/. Alloggio Shareholders who have elected to receive communications electronically will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet, and to lodge their proxy vote online.

The Scheme Booklet will also be made available for viewing and downloading on Alloggio's website at https://www.alloggio.com.au/.

Section 2

Independent Board Committee Chair's Letter



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Dear Alloggio Shareholders

On behalf of the Alloggio Independent Board Committee, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration in relation to the proposed acquisition of Alloggio Group Limited (**Alloggio** or **ALO**) by ALO Bidco Pty Ltd (**Bidder Nominee**), a special purpose vehicle of Next Capital Pty Limited (**Next Capital**).

This Scheme Booklet will assist you in making an informed decision about how to vote and includes important information, including the Independent Board Committee's recommendation, reasons to vote for or against the Scheme, certain risks related to holding ALO Shares, and an explanation of the Scheme. As explained further below, an Independent Expert's Report from BDO Corporate Finance (East Coast) Pty Ltd (**BDO**) is provided in Appendix C of the Scheme Booklet and this report concludes that the Cash Scheme Consideration is fair and reasonable and in the best interests of General ALO Shareholders.

The Independent Board Committee Members of Alloggio unanimously recommended that Alloggio Shareholders vote in favor of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Alloggio Shareholders.

Background

On 23 February 2023, Alloggio released its FY23 half year results and provided FY23 Normalised EBITDA guidance in the range of $6.4m-$8.2m.

In March 2023, Alloggio received an unsolicited, conditional, non-binding incomplete cash offer from Next Capital (**Offer**). The ALO Independent Board Committee, in conjunction with Alloggio's advisers, assessed the Offer and determined to grant Next Capital a period of preliminary due diligence in order to advance to a proposal, including the negotiation of a Scheme Implementation Deed.

The Scheme Implementation Deed was signed and announced to the Australian Stock Exchange on 27 March 2023 and was based on Next Capital offering $0.30 per Alloggio share in cash, and due diligence being completed by 1 May 2023.

Following a two week extension (to 15 May 2023) of the due diligence period, Alloggio requested a trading halt and on 17 May 2023, announced a trading update of revised FY23 Normalised EBITDA guidance in the range of $4.8m-$5.1m as a result of a lower than expected April 2023 trading result, and May and June 2023 results anticipated to be lower than previously forecast.

Next Capital gave notice to Alloggio that due to the projected financial results of Alloggio for the month of April 2023:

- certain conditions precedent in the Scheme Implementation Deed would not be satisfied by 15 May 2023; and
- Next Capital was unable to continue to maintain the offer price of $0.30 per ALO share as contemplated under the Scheme Implementation Deed.

In accordance with the provisions of the Scheme Implementation Deed, Alloggio and Next Capital continued to consult in good faith to consider if the Scheme may proceed by way of alternative means or methods. On 13 June 2023, Alloggio announced that Next Capital and Alloggio had signed an amended and restated Scheme Implementation Deed.

Consideration under the Scheme

The terms of the revised Scheme provide that Alloggio's General Shareholders will receive from the Bidder $0.24 cash per Alloggio share held on the Scheme Record Date. The Independent Board Committee considers this a compelling offer. The Cash Scheme Consideration of $0.24 per share implies an equity value, on a 100% fully diluted basis, of approximately $48.7m and an enterprise value of approximately $60.6m, and represents a:

- 50.0% premium to the closing price of ALO Shares of $0.16 on 9 June 2023; and
- 43.3% premium to the VWAP of $0.1674 for the period from 17 May 2023 (being the date of the announcement of the revised FY23 Normalised EBITDA reducing from the range of $6.4m-$8.2m to the range of $4.8m-$5.1m) to 9 June 2023.

The Independent Board Committee does not consider premia to trading prices prior to the 17 May 2023 trading update to be relevant in assessing the Cash Scheme Consideration, as these reflect in some part the FY23 Normalised EBITDA guidance released on 23 February 2023.

The Independent Board Committee also notes that the Cash Scheme Consideration of $0.24 per share reflects an attractive transaction multiple. The offer price represents a 12.2 times EBITDA multiple (EV / revised FY23 Normalised EBITDA) based on the midpoint of the revised FY23 Normalised EBITDA guidance provided to the market on 17 May 2023.[1]

The offer provides Alloggio Shareholders with certainty of value and an opportunity to realise cash for their investment at an attractive price.

Conditions of the Scheme

Implementation of the Scheme is subject to conditions, including approvals by the Requisite Majorities of ALO Shareholders, Court and regulatory approval, no prescribed occurrences or material breach of warranty, and other customary conditions.

A condition of the Scheme is that two founding shareholders of Alloggio receive scrip in ALO HoldCo Pty Ltd (**Bidder HoldCo**) instead of the Cash Scheme Consideration. Accordingly, the Scheme is conditional on William Creedon (Managing Director of Alloggio) and Karen Howard (Non-Executive Director of Alloggio) (together the **Founding Shareholders**), who collectively hold a voting interest in approximately 28.8% of Alloggio Shares, rolling their equity in Alloggio into Bidder HoldCo. The Founding Shareholders have indicated to the Independent Board Committee Members that it is their intention to enter into these arrangements if General ALO Shareholders approve the Scheme.

Since the Founding Shareholders are in a different position to General ALO Shareholders in their treatment under the Scheme, they will vote in a separate Scheme Meeting.

Directors' Recommendation

The Independent Board Committee Members of Alloggio have carefully considered the offer from Next Capital and unanimously recommend that you vote in favour of the Scheme. in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. Subject to those same qualifications, each member of the Independent Board Committee intends to vote, or cause to be voted, all ALO Shares in which they have a Relevant Interest in favour of the Scheme. The Independent Board Committee collectively have a Relevant Interest in 11,550,129 ALO shares, representing approximately 5.75% of the ALO shares on issue.

1. This is calculated based on Alloggio's net debt position as at 31 December 2022 and includes transaction costs of A$1.0 million.

John Murphy, Chair of the Alloggio Board and member of the Independent Board Committee, is the father of James Murphy, a director of Next Capital, Bidder Nominee and Bidder HoldCo. John Murphy has not participated in negotiations between Alloggio and the Bidder. Further details of this are set out in Section 12.8. John's recommendation to vote in favour of the Scheme should be considered in this context. However, the Independent Board Committee do not believe John's relationship with James Murphy impacts the recommendation given by the Independent Board Committee reached to support the Scheme.

The remaining directors of Alloggio, William Creedon and Karen Howard, are not making a recommendation to General ALO Shareholders in their capacity as directors of Alloggio, due to their ALO Shares forming a different class of shares in the Scheme. Both William Creedon and Karen Howard declare their intention to vote, or cause to be voted, all ALO Shares in which they have a Relevant Interest in favour of the Scheme as Founding Shareholders if the Scheme is approved by the Requisite Majority of General ALO Shareholders.

In reaching the unanimous decision to recommend the Scheme to General ALO Shareholders, subject to the qualifications described above, the Independent Board Committee Members considered the reasons to vote in favour or to not vote in favour of the Scheme and carefully considered the options available to Alloggio to maximise shareholder value, including continuing its strategy as a standalone ASX-listed entity. Key reasons to vote in favour of the Scheme, and reasons why you may choose to vote against the Scheme, are set out in Section 3.

Independent Expert

The Independent Board Committee appointed BDO as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of the General ALO Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of the equity of ALO to be in the range of $0.22 to $0.25 per ALO Share. The Scheme Consideration of $0.24 per ALO Share falls within the Independent Expert's assessed valuation range.

The Independent Expert is also of the view that the Founding Shareholders are not receiving a superior offer to the General ALO Shareholders under the Scheme and that the market value of the Bidder HoldCo Shares to be issued to the Founding Shareholders as Scrip Scheme Consideration, immediately following the Implementation of the Scheme, is no greater than the Cash Scheme Consideration being paid to General ALO Shareholders under the Scheme.

The Independent Expert's Report can be found in Appendix C of the Scheme Booklet which you are encouraged to read in full.

Major Shareholders' voting intentions

As at the Last Practicable Date, three Major Shareholders of ALO, HD Capital Partners Pty Limited, Microequities Asset Management Pty Limited, and Allegro Capital (collectively, the **Major Shareholders**) own 23,026,093 ALO Shares (representing approximately 11.5% of ALO Shares on issue and 16.1% of General ALO Shareholders).

Each Major Shareholder has confirmed to ALO that, based on the disclosed terms of the Scheme, it intends to vote in favour of the Scheme for all ALO Shares it holds at the time of the vote, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of General ALO Shareholders.

How to vote

Your vote is important in determining whether or not the Scheme proceeds, and I strongly encourage you to vote on this important transaction at the Scheme Meeting.

There will be two Scheme Meetings, one for Shareholders other than the Founding Shareholders and one for the Founding Shareholders. The General Scheme Meeting for all General ALO Shareholders except the Founding Shareholders is scheduled **9.30am on 15 August 2023** via an online platform powered by Automic at https://investor.automic.com.au. Details on how to register to vote at the General Scheme Meeting can be found in Section 5.5. The Founding Shareholder Scheme Meeting is scheduled to take place virtually at 10.00am on **15 August 2023** or as soon thereafter as the General Scheme Meeting has concluded or is adjourned.

The Scheme can only be implemented if it is approved by the Requisite Majorities at the Scheme Meetings. That approval requires that a majority in number (more than 50%) representing at least 75% in value of all ALO Shareholders present and voting at the Scheme Meetings either by attending online or by proxy support the Scheme.

If approved by the ALO Shareholders at the Scheme Meetings the Scheme will become effective when subsequently approved by the Court at the Second Court Hearing.

Details of how you may vote at the General Scheme Meeting are set out in the Notice of Scheme Meeting contained in Appendix A of this Scheme Booklet.

Further Information

This Scheme Booklet sets out important information relating to the Scheme, including the reasons for your Independent Board Committee's recommendation and the Independent Expert's Report.

I encourage you to read this Scheme Booklet carefully in its entirety. You should also seek independent legal, financial, tax and other professional advice before making an investment decision in relation to your ALO Shares.

On behalf of the Alloggio Board, I thank you for your ongoing support. I look forward to your participation at the Scheme Meeting and encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders.

Yours Sincerely

Matthew Keen
Chairman
Independent Board Committee of Alloggio

Section 3

Key Considerations Relevant to your Vote

PORT STEPHENS ACCOMMODATION

La Luna
Shoal Bay, PORT STEPHENS NSW

The Scheme has a number of advantages and disadvantages that may affect Alloggio Shareholders in different ways depending on their individual circumstances. Those advantages and disadvantages are described in this Section 3, a summary of which is set out in Section 3.1.

Section 3.2 describes some of the reasons why the Independent Board Committee unanimously recommends General ALO Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. This Section should be read in conjunction with Section 3.3, which sets out reasons why Alloggio Shareholders may wish to vote against the Scheme. Section 3.4 also sets out some additional considerations that may be relevant to your vote in respect of the Scheme.

While the Independent Board Committee acknowledge the reasons to vote against the Scheme, they unanimously believe the advantages of the Scheme significantly outweigh the disadvantages.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. You should also seek professional advice on your particular circumstances, as appropriate.

3.1 Summary of reasons why you might vote for or against the Scheme Interpretation

a. Reasons to vote in favour of the Scheme

- The Independent Board Committee unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders.
- Based on the Cash Scheme Consideration, the Independent Expert has concluded that the Cash Scheme Consideration is fair and reasonable and in the best interests of General ALO Shareholders, in the absence of a Superior Proposal.
- The Cash Scheme Consideration of $0.24 per Alloggio Share represents a significant premium over the recent trading price of ALO Shares.
- The Cash Scheme Consideration of $0.24 per Alloggio Share is above the mid-point of the Independent Expert's valuation range of $0.22 to $0.25 per Alloggio Share.
- The Cash Scheme Consideration provides General ALO Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Alloggio's business.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- Alloggio's share price may fall if the Scheme does not proceed.
- The Transaction is supported by Major Shareholders.
- You will not incur any brokerage charges on the transfer of your ALO Shares if the Scheme proceeds.

b. Potential reasons to vote against the Scheme

- You may disagree with the unanimous recommendation of the Independent Board Committee in respect of the Cash Scheme Consideration and the Independent Expert's conclusion and believe that the Scheme is not in your best interests.
- You may wish to maintain a direct investment in Alloggio as an ASX listed company.
- The tax consequences of the Scheme may not suit certain Alloggio Shareholders.
- You may wish to confine your investment and exposure to a business with Alloggio's specific characteristics.
- You may believe there is potential for a Superior Proposal to be made in the foreseeable future.

3.2 Reasons to vote in favour of the Scheme

This Section 3.2 sets out some of the reasons why the Independent Board Committee consider that you should vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. While the Independent Board Committee acknowledge that there are reasons to vote against the Scheme, they believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

a. The Independent Board Committee unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders

The Independent Board Committee unanimously recommends that you vote your shares in favour of the Scheme, provided that no Superior Proposal has emerged and that the Independent Expert maintains its conclusion that the Scheme is in the best interests of General ALO Shareholders. In reaching its recommendation, the Independent Board Committee has assessed the Scheme, having regard to the reasons to vote in favour of the Scheme, or against the Scheme, as set out in this Scheme Booklet.

In the absence of a Superior Proposal and provided that the Independent Expert maintains its conclusion that the Scheme is in the best interests of General ALO Shareholders, each member of the Independent Board Committee intends to vote, or procure the voting of, all ALO Shares he controls at the time of the relevant Scheme Meeting in favour of the Scheme. The interests of the Alloggio Directors are set out in Sections 12.6 and 12.7.

b. Based on the Cash Scheme Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of General ALO Shareholders, in the absence of a Superior Proposal

The Independent Board Committee appointed the Independent Expert, BDO to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of General ALO Shareholders.

Based on the Cash Scheme Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of General ALO Shareholders. The Independent Expert has assessed the value of ALO Shares to be between $0.22 and $0.25 per Alloggio Share. The Cash Scheme Consideration of $0.24 per Alloggio Share is above the mid-point of this range.

The reasons why the Independent Expert has formed their conclusion that the Scheme is fair and reasonable and in the best interests of General ALO Shareholders are set out in the Independent Expert's Report, a copy of which is included as Appendix C of this Scheme Booklet. The Independent Board Committee encourages you to read the Independent Expert's Report in its entirety.

As at the date of this Scheme Booklet, the Independent Expert has not changed or qualified its conclusion, and no Superior Proposal has emerged.

c. The Cash Scheme Consideration of $0.24 per Alloggio Share represents a significant premium to the recent trading price of ALO Shares

If the Scheme is implemented, General ALO Shareholders will receive $0.24 in cash for each Alloggio Share held on the Scheme Record Date. The cash price of $0.24 per Alloggio Share implies an equity value, on a 100% fully diluted basis, of approximately $48.7m and an enterprise value of approximately $60.6m and represents:

- a 50% premium to the closing price of ALO Shares of $0.16 on 9 June 2023;
- a 43.3% premium to the VWAP of $0.1674 for the period from 17 May 2023 (being the date of the announcement of revised FY23 Normalised EBITDA guidance) to 9 June 2023; and
- an implied acquisition EV/revised FY23 Normalised EBITDA multiple of approximately 12.2x based on the mid-point of the revised Normalised FY23 EBITDA guidance provided to the market on 17 May 2023.[1]

1. This is calculated based on Alloggio's net debt position as at 31 December 2022 and includes transaction costs of A$1.0 million.

The Independent Board Committee does not consider premia to trading prices prior to the 17 May 2023 trading update to be relevant in assessing the Cash Scheme Consideration, as these reflect in some part the FY23 Normalised EBITDA guidance released on 23 February 2023.

d. The Cash Scheme Consideration of $0.24 per Alloggio Share is above the mid-point of the Independent Expert's valuation range of $0.22 to $0.25 per Alloggio Share

The Independent Expert has assessed the value of ALO Shares to be between $0.22 and $0.25 per Alloggio Share. The Cash Scheme Consideration of $0.24 per Alloggio Share is above the mid-point of this range.

A complete copy of the Independent Expert's Report is included as Appendix C of this Scheme Booklet. The Independent Board Committee encourages you to read this report in its entirety.

e. If the Scheme proceeds, the General ALO Shareholders will receive a certain cash price for their investment in Alloggio and will avoid ongoing risks and uncertainties involved in Alloggio's operations, future funding and acquisitions

The Cash Scheme Consideration of $0.24 per Alloggio Share provides General ALO Shareholders with certainty of value for their ALO Shares. For General ALO Shareholders, the certainty of the Cash Scheme Consideration should be compared with the risks and uncertainties associated with remaining a shareholder in Alloggio. Some of these risks are explained in more detail in Section 10.

If the Scheme is not implemented, the value Alloggio Shareholders will be able to realise from their investment in Alloggio, through future share price performance and dividends, will necessarily be uncertain and subject to these risks.

If the Scheme is implemented, these risks and uncertainties will be assumed by the Bidder and General ALO Shareholders will have received a certain cash price for their ALO Shares.

f. No Superior Proposal has emerged as at the date of this Scheme Booklet

Since March 2023, when discussions between Alloggio and Next Capital relating to a potential change of control transaction were first disclosed to the market, and up to the date of this Scheme Booklet, no Superior Proposal has emerged. The Independent Board Committee is not currently aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.

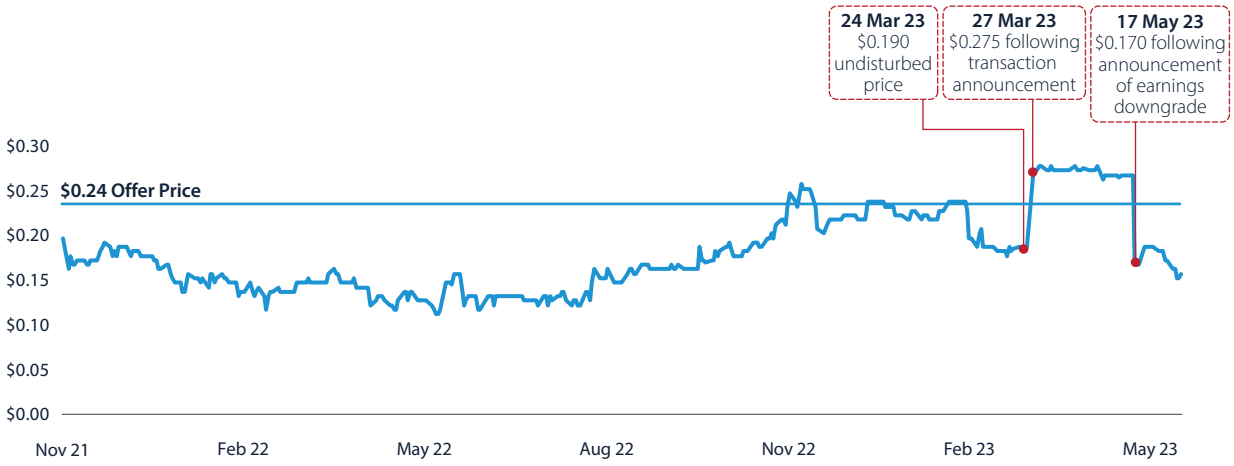
The Scheme Implementation Deed, entered into with the Bidder, permits Alloggio to engage with any party that offers a Superior Proposal, subject to certain conditions in favour of the Bidder. Further details on the key terms of the Scheme Implementation Deed are provided in Section 7 of this Scheme Booklet.

g. The Alloggio Share price may fall if the Scheme does not proceed

If the Scheme is not implemented, ALO Shares will continue to remain quoted on ASX and will continue to be subject to market volatility. This includes exposure to general stock market movements, the impact of general economic conditions and the demand for listed securities. As such, in the absence of a Superior Proposal, if the Scheme is not implemented, there is a risk that the price of ALO Shares will fall to a price below the Cash Scheme Consideration being offered.

Since listing in November 2021 and prior to the announcement of discussions between Alloggio and Next Capital in March 2023, ALO Shares have closed between a low of $0.115 per Alloggio Share on 1 June 2022 and 2 June 2022 and a high of $0.26 per Alloggio Share on 1 December 2022. On the last trading day prior to the announcement of discussions between Alloggio and Next Capital, ALO Shares closed at $0.19 per Alloggio Share. Following the announcement on 17 May 2023 of revised guidance for FY23 EBITDA, ALO shares closed at $0.17 per Alloggio Share on 17 May 2023.

The graph below shows the share price performance of ALO Shares over the period from listing in November 2021 to 9 June 2023, relative to the Cash Scheme Consideration.



h. The Transaction is supported by Major Shareholders

As at the Last Practicable Date, three Major Shareholders of ALO, HD Capital Partners Pty Limited, Microequities Asset Management Pty Limited, and Allegro Capital (collectively, the **Major Shareholders**) own 23,026,093 ALO Shares (representing approximately 11.5% of ALO Shares on issue and 16.1% of General ALO Shareholders).

Each Major Shareholder has confirmed to ALO that, based on the disclosed terms of the Scheme, it intends to vote in favour of the Scheme for all ALO Shares it holds at the time of the vote, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of General ALO Shareholders.

i. Brokerage fees

If the Scheme is implemented, Alloggio Shareholders will not incur brokerage charges. Alloggio Shareholders may incur such charges if they dispose of their ALO Shares in a manner other than that contemplated by the Scheme.

3.3 Potential reasons to vote against the Scheme

Despite the Independent Board Committee's unanimous recommendation of the Scheme in respect of the Cash Scheme Consideration and the Independent Expert concluding that the Scheme is in the best interests of General ALO Shareholders, this Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme.

a. You may disagree with the Independent Board Committee's unanimous recommendation

Despite the unanimous recommendation of the Independent Board Committee in respect of the Cash Scheme Consideration to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders, you may believe that the Scheme is not in the best interests of General ALO Shareholders or not in your own individual best interests.

ALO Shareholders are not obliged to follow the recommendation of the Independent Board Committee.

b. You may disagree with the Independent Expert's conclusion

In concluding that, in respect of the Cash Scheme Consideration, the Scheme is fair and reasonable and in the best interests of General ALO Shareholders, the Independent Expert has made judgements based on future conditions and events which cannot be predicted with certainty. You may hold a different view and consequently may not agree with the Independent Expert's conclusion that the Scheme is in the best interests of General ALO Shareholders, in the absence of a Superior Proposal.

c. You may prefer the opportunity to participate in any future value creation of the Alloggio business and consider that the Cash Scheme Consideration does not adequately compensate you for that opportunity

If the Scheme is implemented, you will no longer be an Alloggio Shareholder. This means that you will not participate in the future performance of Alloggio, you will not retain any exposure to Alloggio's business performance or assets, and you will not be entitled to share in value that could be generated by Alloggio in the future.

You may consider that, despite the risk factors relevant to Alloggio's future operations, Alloggio may be able to return greater risk adjusted value for shareholders by remaining a listed entity or by seeking alternative corporate or control transactions in the future.

d. You may wish to maintain your investment in Alloggio because there may be limited alternative ways of gaining exposure to a comparable asset portfolio

You may wish to maintain your investment in Alloggio as an investment in a publicly listed company with the specific characteristics of Alloggio in terms of industry, operational profile development pipeline, size, liquidity, capital structure and potential dividend stream.

If the Scheme is implemented, you will no longer be a Alloggio Shareholder. You may want to maintain your investment profile and may consider that it will be difficult to find an alternative investment with similar characteristics to Alloggio. Furthermore, you may incur transaction costs in undertaking any new investment.

e. The tax consequences of the Scheme may not suit your current financial circumstances

The tax consequences of the Scheme will depend on your individual situation. If the Scheme is implemented, it may result in unfavourable taxation consequences for you.

A general guide to the taxation implications of the Scheme is set out in Section 11. Alloggio Shareholders should consider the information in Section 11 to be general in nature and should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

f. You may believe that there is potential for a Superior Proposal to emerge

You may consider that a Superior Proposal could emerge in the foreseeable future. This may take the form of a takeover offer or an alternative scheme of arrangement, which could deliver total consideration to Alloggio Shareholders that exceeds the Cash Scheme Consideration.

As at the date of this Scheme Booklet, no Superior Proposal has emerged, and the Independent Board Committee is not aware of, and has no basis to believe that a Superior Proposal is likely to emerge.

The Scheme Implementation Deed prohibits ALO from soliciting and responding to a Competing Proposal, other than in certain circumstances, and required ALO to notify the Bidder of any Competing Proposal and its terms. ALO will notify ALO Shareholders if a Superior Proposal is received before the Court Date.

3.4 Additional considerations relating to the Scheme

You should also take into account the following additional considerations in deciding how to vote on the Scheme.

a. The Scheme may be implemented even if you vote against the Scheme or do not vote at all

You should be aware that if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Alloggio Shareholders at each Scheme Meeting and by the Court and if all other Conditions Precedent are satisfied or waived (as applicable) in accordance with the terms of Scheme Implementation Deed. If this occurs, your ALO Shares held on the Scheme Record Date will be transferred to the Bidder and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme.

b. Founding Shareholders

The Scheme is conditional on the Founding Shareholders receiving scrip in Bidder HoldCo instead of the Cash Scheme Consideration.

The Independent Expert is of the view that the Founding Shareholders are not receiving a superior offer to the General ALO Shareholders under the Scheme and that the market value of the Bidder HoldCo Shares to be issued to the Founding Shareholders as Scrip Scheme Consideration, immediately following the Implementation of the Scheme, is no greater than the Cash Scheme Consideration being paid to General ALO Shareholders under the Scheme.

The Independent Expert's Report is included in Appendix C.

c. Conditionality of the Scheme

Implementation of the Scheme is subject to the satisfaction (or waiver) of a number of Conditions Precedent, which are summarised in Section 7 of this Scheme Booklet and set out in clause 3.1 of the Scheme Implementation Deed. If the Conditions Precedent are not satisfied or waived (as applicable) in accordance with the terms of the Scheme Implementation Deed, the Scheme will not proceed and Alloggio Shareholders will not receive the Scheme Consideration.

As far as Alloggio and the Bidder are aware, as at the date of this Scheme Booklet, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, Alloggio will inform Alloggio Shareholders of the status of the Conditions Precedent through an announcement to ASX.

The Scheme Implementation Deed may be terminated if any of the Conditions Precedent have not been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the End Date, or such other date as is agreed between Alloggio and the Bidder.

For further information about the Conditions Precedent and termination rights under the Scheme Implementation Deed (including with respect to the Conditions Precedent) see Section 7.

d. Warranty by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Alloggio and Bidder, and appointed and authorised Alloggio as its attorney and agent to warrant to Bidder, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to Bidder pursuant to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Bidder pursuant to the Scheme. Each Scheme Shareholder is also deemed to have warranted to Alloggio and Bidder, and appointed and authorised Alloggio as its attorney and agent to warrant to Bidder, that the relevant Scheme Shareholder has no existing right to be issued any ALO Shares, ALO Options or any other Alloggio equity securities, other than in the case any Scheme Shareholder who is also a holder of ALO Options, the right to be issued ALO Shares on the vesting of those ALO Options (if applicable) before the Scheme Record Date in accordance with their terms.

e. Exclusivity

The Scheme Implementation Deed includes certain exclusivity arrangements that Alloggio has made in favour of Bidder. These include customary no-shop, no-talk and no-due diligence obligations, as well as obligations of notification of competing proposals and providing a matching right to Bidder in the event that a Superior Proposal is received by Alloggio. These exclusivity arrangements are described in further detail in Section 7.

f. Break Fee

Alloggio will be obliged to pay Bidder the Break Fee in certain circumstances, including if:

i. Change in recommendation: during the Exclusivity Period, any ALO Director fails to recommend that General ALO Shareholders vote in favour of the Scheme, withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation or indicates they no longer recommend the Transaction or recommend, support or endorse a Competing Proposal, in each case provided that Bidder has terminated the Scheme Implementation Deed, and other than in circumstances where:
   - the Independent Expert concludes the Scheme is not in the best interests of General ALO Shareholders;
   - the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme is required by the Scheme Implementation Deed; or
   - Alloggio is entitled to terminate the Scheme Implementation Deed for material breach in accordance with the provisions of the Scheme Implementation Deed;

ii. Competing Proposal: a Competing Proposal of any kind is announced prior to the Effective Date and within 12 months of its announcement, the Third Party who made the Competing Proposal completes a Competing Proposal or otherwise acquires a Relevant Interest in, or becomes the holder of, 50% or more of ALO Shares and that acquisition is unconditional; or

iii. Termination: Bidder terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete.

No break fees are payable if the Scheme does not proceed solely because of the Requisite Majority of Alloggio Shareholders failing to approve the Scheme at the Scheme Meeting.

g. Recommendation in relation to Scrip Scheme Consideration

The Independent Board Committee is not making a recommendation to the Founding Shareholders as:

i. the Independent Board Committee consider them to be sophisticated or professional investors and capable of forming their own view in relation to the Scrip Scheme Consideration; and

ii. the Founding Shareholders have declared their intention to vote in favour of the Scheme if the Scheme is approved by the Requisite Majority of General ALO Shareholders.

Section 4

Frequently Asked Questions

Question	Answer
1. Background and overview of the Scheme	
Why have I received this Scheme Booklet?	The Scheme Booklet has been sent to you because you are an Alloggio Shareholder and Alloggio Shareholders are being asked to vote on the Schemes. This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at each of the Scheme Meetings to allow the Scheme to proceed.
What are the General ALO Shareholders being asked to consider?	General ALO Shareholders are being asked to consider and vote on a proposal to transfer all of their ALO Shares to Bidder, in exchange for Bidder paying the Cash Scheme Consideration of $0.24 to each General ALO Shareholder for each Alloggio Share they hold on the Scheme Record Date. The proposal is structured as a scheme of arrangement between Alloggio and all persons who hold ALO Shares as at the Scheme Record Date. If the Scheme becomes Effective, Alloggio will become a wholly owned subsidiary of Bidder and will be removed from ASX's official list. ***For more information, Section 7 contains an overview of the Scheme and a copy of the Scheme is attached to the Scheme Implementation Deed in Appendix D.***
What is a scheme of arrangement?	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act and is commonly used in transactions in Australia that may result in a change of ownership or control of a company. It requires a vote in favour of the Scheme by the Requisite Majorities of ALO Shareholders at both of the Scheme Meetings, alongside approval of the Court. ***For more information see Section 7***
What do the Alloggio Directors recommend?	The Board of ALO (excluding the Founders who have abstained from making a recommendation due to the offer of Rollover Shares under the Scheme) (**Independent Board Committee**) unanimously recommend that ALO shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. It is noted that the Independent Board Committee make this recommendation only in respect of the Cash Scheme Consideration. As the Founding Shareholders will receive Scrip Scheme Consideration for their ALO Shares if the Scheme becomes Effective, the Independent Board Committee did not make any recommendation in relation to whether the Founding Shareholders should vote in favour of the Founding Shareholders Scheme Resolution to receive Scrip Scheme Consideration. The reasons for the Independent Board Committee's unanimous recommendation and other matters that you may wish to consider are outlined in Sections 3.2(a), 12.6, 12.7 and 12.8. ***For more information, Section 3 provides a summary of some of the reasons why Alloggio Shareholders might vote for and against the Scheme, as well as some additional considerations that may be relevant to Alloggio Shareholders' vote in respect of the Scheme.***

Question	Answer
How do the Independent Board Committee Members intend to vote?	Each Director on the Independent Board Committee intends to vote the ALO Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. ***For more information see Section 2***
How do the Major Shareholders intend to vote?	As at the Last Practicable Date, three Major Shareholders of ALO, HD Capital Partners Pty Limited, Microequities Asset Management Pty Limited, and Allegro Capital, collectively own 23,026,093 ALO Shares (representing approximately 11.5% of ALO Shares on issue and 16.1% of General ALO Shareholders). Each Major Shareholder has confirmed to ALO that, based on the disclosed terms of the Scheme, it intends to vote in favour of the Scheme for all ALO Shares it holds at the time of the vote, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of General ALO Shareholders. ***For more information see Section 3.2(h)***
Do the Independent Board Committee make any recommendation in respect of the Scrip Scheme Consideration?	The Independent Board Committee is not making a recommendation to the Founding Shareholders as the Independent Board Committee consider them to be sophisticated or professional investors and capable of forming their own view in relation to the Scrip Scheme Consideration. ***For more information see Section 3.4(g)***
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme Consideration is fair and reasonable and in the best interests of General ALO Shareholders in respect of the Cash Scheme Consideration. The Independent Expert has assessed the full underlying value of Alloggio at between $0.22 and $0.25 per Alloggio Share. The Cash Scheme Consideration of $0.24 per Alloggio Share is above the mid-point of this range. The Independent Expert is also of the view that the Founding Shareholders are not receiving a superior offer to the General ALO Shareholders under the Scheme and that the market value of the Bidder HoldCo Shares to be issued to the Founding Shareholders as Scrip Scheme Consideration, immediately following the Implementation of the Scheme, is no greater than the Cash Scheme Consideration being paid to General ALO Shareholders under the Scheme. A complete copy of the Independent Expert's Report is included in Appendix C. You are encouraged to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme. ***For more information, a copy of the Independent Expert's Report is contained in Appendix C.***

Question	Answer
What are my alternatives?	You may: o vote for or against the applicable Scheme Resolution to approve the Scheme (in person or online (as applicable), or by proxy, corporate representative or attorney); o sell your ALO Shares on-market before the Effective Sate or off-market before the Scheme Record Date; or o abstain or do nothing, in which case: i. if the Scheme becomes Effective your ALO Shares will be transferred to Bidder and you will receive the Cash Scheme Consideration for all of your ALO Shares held on the Scheme Record Date; and ii. if the Scheme does not become Effective you will continue to hold your ALO Shares. ***For more information, Section 3 provides a summary of some of the reasons why Alloggio Shareholders might vote for and against the Scheme, as well as some additional considerations that may be relevant to Alloggio Shareholders' vote in respect of the Scheme.***
Can I sell my ALO Shares now?	Yes. You can sell your ALO Shares on market at any time before the close of trading on ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration). You will not be able to sell your ALO Shares on market after the Effective Date, as this will be the last day of trading in ALO Shares on ASX before trading in ALO Shares on ASX is suspended. You may however seek to sell your ALO Shares off market after the Effective Date but before the Scheme Record Date. If you sell your ALO Shares before the Scheme Record Date, you: o may receive the proceeds from the sale of your ALO Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration); o may incur brokerage costs if you sell your ALO Shares on market; and o will not be able to participate in the Scheme or a Superior Proposal, if one emerges after the date on which you sell your Alloggio Shares.
What should I do?	You should read this Scheme Booklet carefully in its entirety and then vote by attending the applicable General Scheme Meeting virtually (or, if you are a Founding Shareholder, the Founding Shareholders Scheme Meeting in person) or by appointing a proxy, corporate representative to attend the relevant Scheme Meeting on your behalf. For more information on why there are two meetings, refer to the question 'Why are there two meetings in relation to the Scheme?' Alloggio strongly encourages Alloggio Shareholders to consider lodging a directed proxy in the event they are not able to participate in the Scheme Meetings.

Question	Answer
2. Information about Bidder Group	
Who is Next Capital?	Next Capital via Bidder Nominee is the company that is offering the Scheme Consideration for your Alloggio Shares. Established in 2005, Next Capital is a leading private equity firm, founded by three of Australia's most experienced private equity practitioners. Since its inception, Next Capital has focused on lower mid-market buyout opportunities with enterprise values of between A$50 million – A$200 million specialising in partnering with owners and managers of businesses to assist them in accelerating growth. The partners of Next Capital have more than 70 years of combined private equity experience and have completed over 70 transactions across both Next Capital and during their time at the private equity business of Macquarie Group in Australia, Macquarie Direct Investments. Next Capital's current and prior experience in the tourism and hospitality sectors, include its: o historical investment in Discovery Holiday Parks, Australia's largest caravan and cabin park owner; and o current investment in the Jucy campervan business and follow-on acquisition of the Star motor home business (divested from the merger of the Apollo Tourism & Leisure Ltd and Tourism Holdings Limited). For additional information about next Capital, please visit Next Capital's website at https://www.nextcapital.com.au/. *For more information see Section 9*
Who is Bidder Nominee?	Bidder Nominee is a new Australian proprietary limited company that was incorporated on 6 June 2023 for the purposes of acquiring all of the Scheme Shares, subject to the Scheme becoming Effective. Bidder Nominee has not commenced trading or conducted business, and does not have any assets or liabilities, other than in connection with its incorporation, the entry into transaction documents in connection with the Scheme Implementation Deed and taking any steps contemplated by those documents. Bidder Nominee is a wholly-owned subsidiary of Next Capital V, LP, a limited partnership which forms part of a private equity fund known as Next Capital Fund V (the **Next Capital Fund**), and is managed by Next Capital V Management Pty Limited. The investment mandate of the Next Capital Fund is to invest in mid-market private equity transactions sourced across Australia and New Zealand. Bidder Nominee is the nominee of Next Capital, which executed the Scheme Implementation Deed with Alloggio.. *For more information see Section 9*
Who is Bidder HoldCo?	Bidder HoldCo is a new Australian proprietary limited company that was incorporated on 6 June 2023 to act as the holding company for Bidder Nominee. Bidder HoldCo is a wholly-owned subsidiary of the Next Capital Fund. *For more information see Section 9*

Question	Answer
How is Bidder funding the Cash Scheme Consideration?	Based on the number of Scheme Shares on issue as at the date of this Scheme Booklet, the maximum amount of cash required to be paid by Bidder to Scheme Shareholders is $34,286,213.04 for the Cash Scheme Consideration. The aggregate amount available under the equity commitment exceeds such amount. Bidder Nominee has entered into a legally binding equity commitment letter with Next Fund V, under which Next Fund V agrees to cause Bidder Nominee to receive the aggregate amount of up to $34,300,000 (the **Equity Funding**). The Equity Funding will be used by Bidder Nominee for the sole purpose of paying, and to the extent necessary to pay, the Cash Scheme Consideration. ***For more information see Section 9***
3. Founding Shareholders	
Who are the Founding Shareholders?	The Founding Shareholders are entities controlled by William Creedon and Karen Howard. ***For more information see Sections 8.7, 12.6 and 13***
What is the Scrip Scheme Consideration?	The Founding Shareholders will receive 1 Bidder HoldCo Share in Bidder HoldCo issued at $0.24 per share, for each Scheme Share they hold at the Scheme Record Date. ***For more information see Sections 7 and 13***
Why do the Founding Shareholders vote separately from the General ALO Shareholders?	Because the Founding Shareholders will receive a different form of consideration under the Scheme to the General ALO Shareholders, their rights under the Scheme are sufficiently different from those of General ALO Shareholders such that they constitute a separate class of members for the purpose of voting on the Scheme. This means that the Founding Shareholders will not be permitted to vote at the General Scheme Meeting and will instead vote at the Founding Shareholders Scheme Meeting. ***For more information see Section 7***
4. Scheme Meetings and voting requirements	
Why are there two meetings in relation to the Scheme?	There are two meetings in relation to the Scheme because the Founding Shareholders are offered a different form of consideration to the General ALO Shareholders. Therefore, their rights under the Scheme are sufficiently different from those of the General ALO Shareholders that they constitute a separate class of members for the purposes of voting on the Scheme. This means that the Founding Shareholders will not be permitted to vote at the General Scheme Meeting and will instead vote at the Founding Shareholders Scheme Meeting. Equally, the General ALO Shareholders will not be permitted to vote at the Founding Shareholders Scheme Meeting. ***For more information see Section 7***

Question	Answer
What am I being asked to vote on at the relevant Scheme Meeting?	You are being asked to vote on whether or not to approve the Scheme by voting on the relevant Scheme Resolution. The text of the General Scheme Resolution (on which the General ALO Shareholders are asked to vote) is set out in the Notice of General Scheme Meeting in Appendix A. The text of the Founding Shareholders Scheme Resolution (on which the Founding Shareholders are asked to vote) is set out in the Notice of Founding Shareholders Scheme Meeting in Appendix B. ***The Notice of General Scheme Meeting contained in Appendix A sets out further details on how to vote at the General Scheme Meeting.*** ***The Notice of Founding Shareholders Scheme Meeting contained in Appendix B sets out further details on how to vote at the Founding Shareholders Scheme Meeting.***
Am I entitled to vote?	Each Alloggio Shareholder who is registered on the Alloggio Share Register as at the Meeting Record Date (being 7.00pm AEST (Sydney, Melbourne) on 13 August 2023), is entitled to vote at the relevant Scheme Meeting. If you are not registered on the Alloggio Share Register on the Meeting Record Date, for example, because you sold all of your ALO Shares, you will not be entitled to vote at the relevant Scheme Meeting. ***Notice of General Scheme Meeting contained in Appendix A sets out further details on how to attend and vote at the General Scheme Meeting.*** ***The Notice of Founding Shareholders Scheme Meeting contained in Appendix B sets out further details on how to attend and vote at the Founding Shareholders Scheme Meeting.***
What voting majority is required to approve the Scheme?	The Scheme needs to be approved by the Requisite Majorities of Alloggio Shareholders at each of the Scheme Meetings, which are: o at least 75% of the total number of votes cast on the respective Scheme Resolution either virtually or by proxy, corporate representative or attorney), where each Alloggio Share carries one vote; and o a majority in number (more than 50%) of Alloggio Shareholders present and voting virtually or by proxy, corporate representative or attorney) at the relevant Scheme Meeting, where each Alloggio Shareholder counts as one vote. The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so. If the Scheme is not approved by the Requisite Majorities of Alloggio Shareholders at each of the Scheme Meetings and the Court, the Scheme will not proceed. ***For more information see Section 5.2, Appendix A and Appendix B.***
How do I vote?	You can vote on the relevant Scheme Resolution: o online by attending the applicable Scheme Meeting virtually via an online meeting platform powered by Automic at https://investor.automic.com.au; o by appointing a proxy (including by completing and returning the Proxy Form or lodging your proxy online before 9.30am AEST (Sydney, Melbourne) on Sunday, 13 August 2023) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is available to you. ***For more information see Section 5.5, Appendix A and Appendix B.***

Question	Answer
Is voting compulsory?	No. Voting is not compulsory. However, the Independent Board Committee believe that the Scheme is important for all Alloggio Shareholders and the Independent Board Committee unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders. ***The reasons for the Independent Board Committee's unanimous recommendation and other matters that you may wish to consider are outlined in Section 3.***
Why should I vote in favour of the Scheme?	Section 3.2 sets out some of the reasons why the Independent Board Committee consider that you should vote in favour of the Scheme. ***For more information see Section 3.2***
Why might I consider voting against the Scheme?	Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme. ***For more information see Section 3.3***
When and where will the Scheme Meetings be held?	The General Scheme Meeting is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on 15 August 2023 virtually via an online meeting platform powered by Automic at https://investor.automic.com.au. The Founding Shareholders Scheme Meeting will be at 10.00am on 15 August 2023 as soon thereafter as the General Scheme Meeting has concluded or is adjourned virtually via an online meeting platform powered by Automic at https://investor.automic.com.au. ***Section 5.1, Appendix A and Appendix B set out further details on the Scheme Meetings.***
When will the results of the Scheme Meetings be known?	The result of each Scheme Meeting will be available shortly after the conclusion of that Scheme Meeting and will be announced to ASX as soon as practicable. Even if each Scheme Resolution is passed at each respective Scheme Meeting, the Scheme is subject to approval of the Court and satisfaction or waiver (if permitted) of all Conditions Precedent. ***For more information see Section 5***
What happens to my ALO Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	If you, as a Alloggio Shareholder, oppose the Scheme, you may: o call the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia) to obtain further information; o attend the applicable Scheme Meeting virtually or the Founding Shareholders Scheme Meeting in person (as applicable to you), or by proxy, representative or attorney and vote against the relevant Scheme Resolution; and/or o if Alloggio Shareholders pass the Scheme Resolutions at the Scheme Meetings and you wish to appear and be heard at the hearing on the Second Court Date, you must lodge a notice of intention to appear at such hearing and indicate opposition to the Scheme. You should seek professional advice as to how to do this. Notwithstanding your opposition of the Scheme, the Scheme Resolutions may be passed at the Scheme Meetings, the Scheme approved by the Court on the Second Court Date and the Scheme become Effective, in which case you will receive the Cash Scheme Consideration (if you are a General ALO Shareholder or the Scrip Scheme Consideration (if you are a Founding Shareholder) and your ALO shares will be acquired by the Bidder. ***For more information see Section 3.4***

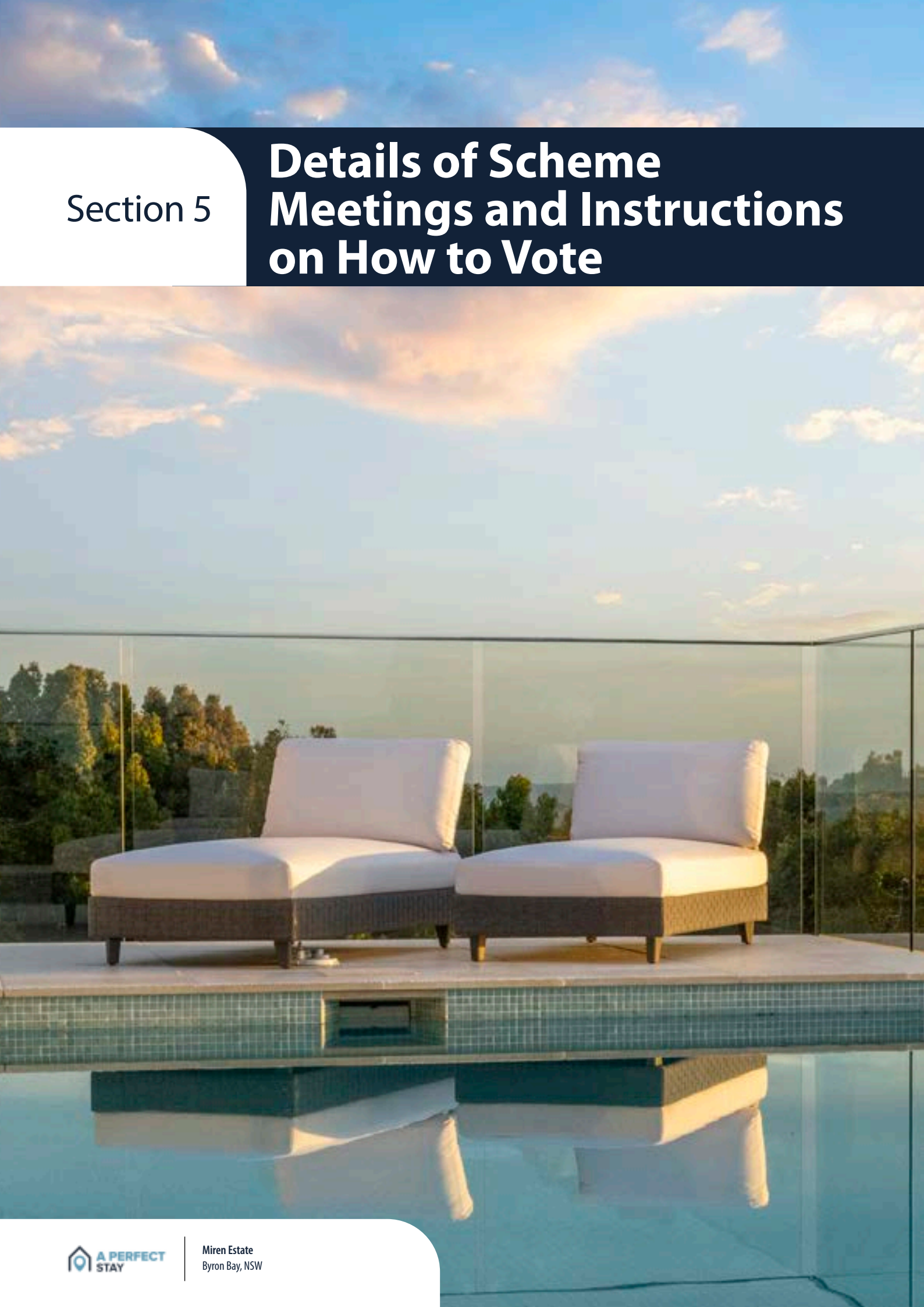
Question	Answer
5. Implementation of the Scheme	
What will happen to Alloggio if the Scheme becomes Effective?	If the Scheme becomes Effective: General ALO Shareholders will receive Cash Scheme Consideration of $0.24 for each Alloggio Share held as at the Scheme Record Date; and Founding Shareholders will receive the Scrip Scheme Consideration. Following this, all ALO Shares will be acquired by Bidder and it is intended that ALO will be removed from ASX's official list. ***For more information see Sections 6.2 and 7***
Are there conditions that need to be satisfied before the Scheme can proceed?	Yes. Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent. These Conditions Precedent are summarised in Section 7.1 and set out in full in clause 3.1 of the Scheme Implementation Deed. As at the date of this Scheme Booklet, the Independent Board Committee are not aware of any reason why any condition to the Scheme will not be satisfied or waived (if capable of waiver). ***For more information see Section 7.1***
When will the Scheme become effective?	The Scheme will become Effective if: o the Scheme is approved by the Requisite Majorities of Alloggio Shareholders at the relevant Scheme Meeting; o the Court approves the Scheme on the Second Court Date; and o all other Conditions Precedent are satisfied or waived (as applicable). Subject to the above, the Scheme will become Effective on the Effective Date. ***For more information see Sections 5.2 and 7***
When will ALO Shares cease trading on ASX?	ALO Shares are expected to cease trading from the close of trading on ASX on the Effective Date. ***For more information see Sections 6.2 and 12.2***
When will I receive the Scheme Consideration?	If the Scheme becomes Effective the Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date. If the Scheme is not approved by the Requisite Majorities of Alloggio Shareholders at each Scheme Meeting and the Court, the Scheme Consideration will not be provided. ***For more information see Section 1***

Question	Answer
How will I be paid the Scheme Consideration?	Payment of the Cash Scheme Consideration will be made either: o to the nominated bank account advised to the Alloggio Registry as at the Scheme Record Date; or o if no account is nominated, by a cheque in Australian currency, sent by pre-paid post to your registered address as shown on the Alloggio Share Register. You can review and update your bank account details online at https://investor.automic.com.au before the Scheme Record Date. The Scrip Scheme Consideration will be issued to the Founding Shareholders (or their nominated related body corporate) by Bidder HoldCo. ***For more information see Section 7.3(h) and 12.5***
What are the tax implications of the Scheme?	If the Scheme becomes Effective there may be tax consequences for Scheme Shareholders which may include tax being payable on any gain or disposal of ALO Shares. For further general information about the Australian tax consequences of the Scheme for certain Alloggio Shareholders, see Section 11. The tax treatment may vary depending on your individual circumstances. Alloggio encourages you to seek independent professional taxation advice in relation to your particular circumstances. ***For more information see Section 11***
Will I have to pay brokerage or stamp duty?	No, you will not have to pay brokerage or stamp duty if your ALO Shares are acquired under the Scheme. ***For more information see Section 3.1***
What happens if the Scheme is not approved?	If the Scheme is not approved by the Requisite Majorities of Alloggio Shareholders at each Scheme Meeting and the Court, the Scheme will not proceed. If the Scheme does not proceed: o the Scheme Consideration will not be provided to Scheme Shareholders; o Bidder will not acquire the Scheme Shares; o Alloggio will continue to be listed on ASX; and o Alloggio Shareholders will retain their ALO Shares and continue to share in any benefits sand risks of Alloggio's ongoing business. If the Scheme does not proceed, and no Superior Proposal emerges, Alloggio Shareholders will continue to be exposed to the general market risks set out in Section 10.2 and the risk factors relating to the business and operations of Alloggio set out in Section 10.3, including the risk that the price of ALO Shares is likely to fall. ***For more information see Section 6.2***

Question	Answer
What happens if a Competing Proposal for Alloggio emerges?	Although no Competing Proposal has emerged as at the date of this Scheme Booklet, if an unsolicited Competing Proposal for Alloggio is received before the Scheme Meetings, the Alloggio Directors will carefully consider it to determine whether it is a Superior Proposal and will inform you of any material developments. Alloggio must notify Bidder of, and Bidder has a right to match, any Competing Proposal in accordance with the Scheme Implementation Deed. Alloggio Shareholders should note that Alloggio has agreed to certain exclusivity and break fee provisions in favour of Bidder under the Scheme Implementation Deed. ***For more information see Section 7***
When will the Break Fee be payable?	Alloggio will be obliged to pay Bidder the Break Fee in certain circumstances, including if during the Exclusivity Period, subject to certain exceptions, any Independent Board Committee Member withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation to vote in favour of the Scheme or indicates they no longer recommend the Transaction or recommends, supports or endorses a Competing Proposal. ***For more information, Sections 3.4 and 7.1 set out a detailed explanation of circumstances in which the Break Fee is payable.***
When will the Reverse Break Fee be payable?	Bidder is required to pay Alloggio the Reverse Break Fee if Alloggio has terminated the Scheme Implementation Deed for material breach (including material breach of a Bidder Representation and Warranty) and the Scheme does not become Effective. ***For more information see Section 7.1***
6. Further information	
Where can I get further information?	For further information, you can call the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia). ***For more information see Section 8***

Section 5

Details of Scheme Meetings and Instructions on How to Vote



5.1 Details of Scheme Meetings

The notice convening the General Scheme Meeting is attached at Appendix A to this Scheme Booklet and the notice convening the Founding Shareholders Scheme Meeting is attached at Appendix B to this Scheme Booklet.

The General Scheme Meeting is expected to be held on 15 August 2023 at 9.30am virtually via an online meeting platform powered by Automic. The Founding Shareholders Scheme Meeting is expected to be held immediately at 10.00am on 15 August 2023 or as soon thereafter as the General Scheme Meeting has concluded or is adjourned, also virtually through the online meeting platform powered by Automic.

Details on how to register for and attend the Scheme Meetings via the Automic platform is set out in Section 5.5 below.

5.2 Voting majorities required

The Scheme needs to be approved by the Requisite Majorities of Alloggio Shareholders at each of the Scheme Meetings, which is:

- at least 75% of the total number of votes cast on the respective Scheme Resolution by Alloggio Shareholders present and voting virtually or by proxy, corporate representative or attorney); and
- a majority in number (more than 50%) of Alloggio Shareholders present and voting virtually or by proxy, corporate representative or attorney) at the relevant Scheme Meeting.

The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so. If the Scheme is not approved by the Requisite Majorities of Alloggio Shareholders and approved by the Court, the Scheme will not proceed.

5.3 Your vote is important

The Independent Board Committee urge General ALO Shareholders to vote on the relevant Scheme Resolution. The Scheme affects the ALO Shares you hold and your vote on the relevant Scheme Resolution is important in determining whether the Scheme becomes Effective.

5.4 Voting entitlements

Alloggio Shareholders registered on the Alloggio Share Register on the Meeting Record Date (being 7.00pm AEST (Sydney, Melbourne) on 13 August 2023) will be entitled to vote at the relevant Scheme Meeting.

5.5 How to vote

a. Voting online

General ALO Shareholders participating in the General Scheme Meeting using the online meeting platform will be able to vote between the commencement of the General Scheme Meeting and the closure of voting as announced by the Chair during the General Scheme Meeting.

Shareholders who have an existing account with Automic will be able to watch, listen, and vote online. Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting. An account can be created via the following link https://investor.automic.com.au, then clicking on 'register' and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to https://investor.automic.com.au.
2. Log in with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on 'Register' when this appears. Alternatively, click on 'Meetings' on the left-hand menu bar to access registration.
4. Click on 'Register' and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Once on the URL, General ALO Shareholders will need to provide their email, name, phone number and SRN/HIN to participate in the General Scheme Meeting in real-time.

Shareholders will be able to vote and ask questions at the virtual meetings. Refer to the instructions outlined in the Registration and Voting Guide attached to the Notice of General Scheme Meeting in Appendix A and Notice of Founding Shareholders Meeting in Appendix B (as applicable).

Please note, only Alloggio Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the relevant Scheme Meeting. Alloggio Shareholders are therefore encouraged to lodge questions via the Automic by 9.30am AEST (Sydney, Melbourne) on 15 August 2023.

If you are a Founding Shareholder, you will be able to vote online during the Founding Shareholders Scheme Meeting.

b. Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

Alloggio Shareholders wishing to appoint a proxy to attend and vote at the relevant Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form.

There are a number of ways Proxy Forms may be submitted. Proxy Forms may be lodged using one or more of the following methods:

Online

Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.

For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/.

By post

Automic, GPO Box 5193, Sydney NSW 2001.

By hand

Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.

Proxy Forms must be received by the Alloggio Registry by the Last Date for Proxy Forms. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Alloggio Registry at the same time as the Proxy Form (unless previously provided to the Alloggio Registry). Nominated proxies will need to contact Automic to obtain login details to vote at the General Scheme Meeting.

If you are a Founding Shareholder, a proxy will be admitted to the Founding Shareholders Scheme Meeting upon providing evidence of your name and address at the point of entry to the Founding Shareholders Scheme Meeting.

Alloggio Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the relevant Scheme Meeting.

c. Voting by attorney

General ALO Shareholders wishing to appoint an attorney to participate and vote at the General Scheme Meeting (or, if you are a Founding Shareholder, an attorney to attend and vote at the Founding Shareholders Scheme Meeting) on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the Alloggio Registry by the Last Date for Proxy Forms. Persons attending the Founding Shareholders Scheme Meeting as an attorney should bring to the Founding Shareholders Scheme Meeting the original or a certified copy of the instrument under which they have been appointed as an attorney and authorised to attend and vote at the Founding Shareholders Scheme Meeting.

d. Voting by corporate representative

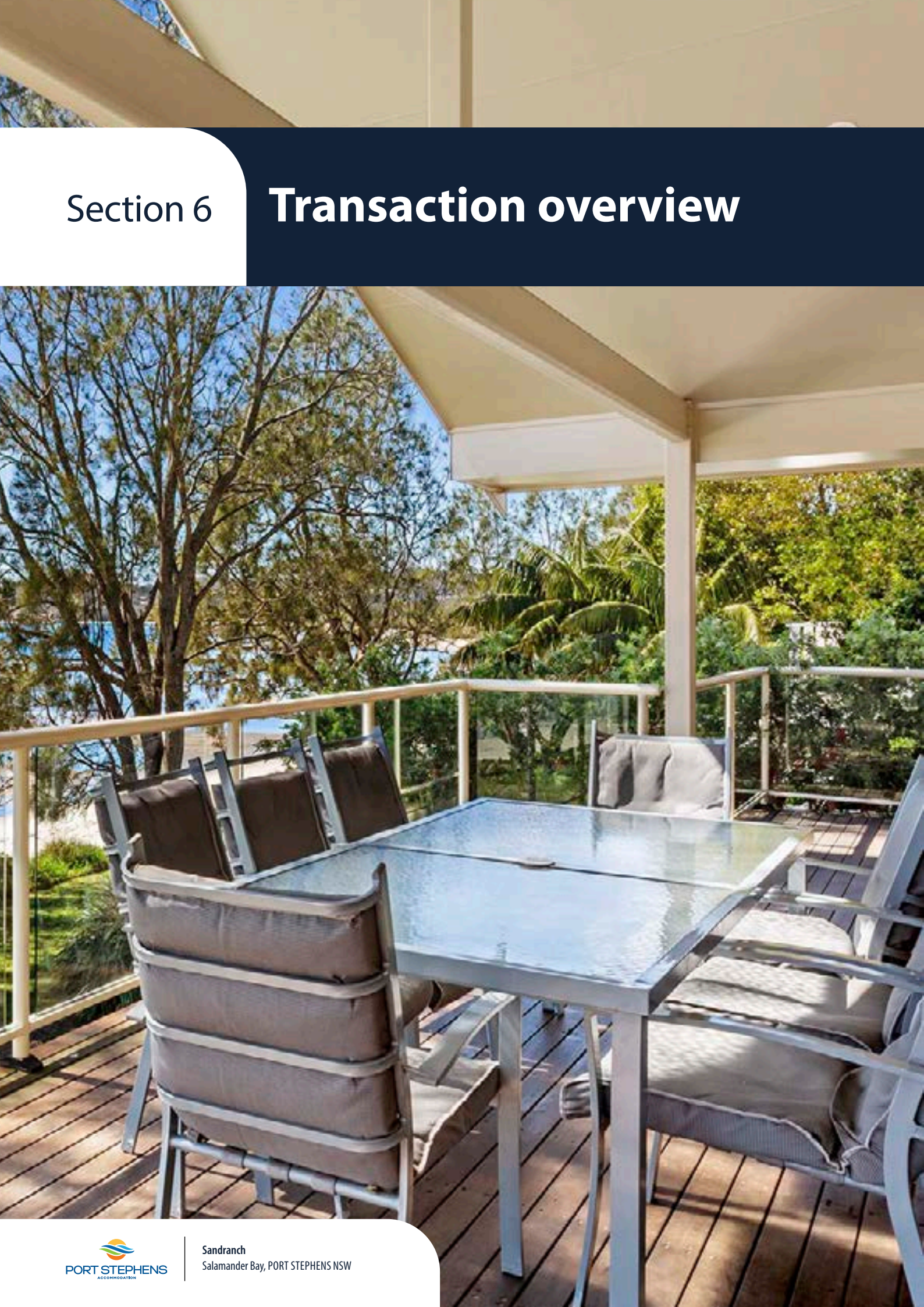
General ALO Shareholders who are bodies corporate may appoint a corporate representative to participate and vote at the General Scheme Meeting (or, if you are a Founding Shareholder, a corporate representative to attend and vote at the Founding Shareholders Scheme Meeting) on their behalf and must provide a duly executed certificate of appointment (in the form attached to the Notice of Meeting or otherwise in accordance with sections 250D or 253B of the Corporations Act) prior to the relevant Scheme Meeting.

5.6 Further information

Please refer to the Notice of General Scheme Meeting set out in Appendix A and the Notice of Founding Shareholders Scheme Meeting set out in Appendix B for further information on voting procedures and details of the relevant Scheme Resolution to be voted on at the relevant Scheme Meeting (including who is entitled to vote on the respective Scheme Resolutions).

Section 6

Transaction overview



PORT STEPHENS ACCOMMODATION

Sandranch
Salamander Bay, PORT STEPHENS NSW

6.1 Background

On 27 March 2023, Alloggio announced that it had entered into a Scheme Implementation Deed with Bidder under which it was proposed that Bidder would acquire 100% of ALO Shares, at $0.30 cash per Alloggio Share on a fully diluted basis, subject to Alloggio Shareholder and Court approval, and the satisfaction or waiver of a number of other Conditions Precedent.

Following a two week extension (to 15 May 2023) of the due diligence period, Alloggio requested a trading halt and on 17 May 2023 announced a trading update of revised FY23 Normalised EBITDA guidance in the range of $4.8m-$5.1m as a result of lower than expected April 2023 trading result, and May and June 2023 results anticipated to be lower than previously forecast.

Bidder gave notice to Alloggio that due to the projected financial results of Alloggio for the month of April 2023:

- certain conditions precedent in the Scheme Implementation Deed would not be satisfied by 15 May 2023: and
- Bidder was unable to continue to maintain the offer price of $0.30 per ALO Share contemplated under the Scheme Implementation Deed.

In accordance with the provisions of the Scheme Implementation Deed, Alloggio and Bidder continued to consult in good faith to consider if the Scheme may proceed by way of alternative means or methods.

On 13 June 2023, Alloggio announced that Next Capital and Alloggio had signed an amended and restated Scheme Implementation Deed. The terms of the revised Scheme provide that Alloggio's General Shareholders will receive from the Bidder $0.24 cash per Alloggio share held on the Scheme Record Date.

The Scheme Implementation Deed contains terms and conditions that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Alloggio's obligation to conduct its business in the ordinary course during the Scheme process.

The Scheme Implementation Deed sets out a framework for Alloggio to propose a scheme of arrangement between itself and Alloggio Shareholders under which Bidder will acquire all of the ALO Shares on issue as at the Scheme Record Date.

Having carefully considered Bidder Group's proposal and the merits of the alternatives, the Directors of ALO (excluding the Founders who abstained from making a recommendation due to the offer of Rollover Shares under the Scheme) (**Independent Board Committee**) unanimously recommend that General ALO Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that, in respect of the Cash Scheme Consideration, the Scheme is in the best interests of General ALO Shareholders. Subject to those same qualifications, each of the members of the Independent Board Committee intend to vote all the ALO Shares held or controlled by them in favour of the Scheme.

In forming their unanimous recommendation in respect of the Cash Scheme Consideration, the Independent Board Committee have carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 3.

The key terms of the Scheme Implementation Deed are summarised in Section 7.1. A full copy of the amended and restated Scheme Implementation Deed is attached to Alloggio's ASX announcement on 13 June 2023, which can be obtained from ASX's website (at www.asx.com.au) or from Alloggio's website (at https://www.alloggio.com.au).

6.2 What will happen under the Scheme?

If the Scheme is approved by Alloggio Shareholders and the Court (as discussed in Sections 5.2 and 7) and subject to the satisfaction or waiver of the other Conditions Precedent in accordance with the terms of the Scheme Implementation Deed, all Alloggio Shareholders who hold ALO Shares as at the Scheme Record Date will participate in the Scheme, whether or not they voted for the Scheme (and even if they did not vote or voted against the Scheme).

If the Scheme becomes Effective:

- at the close of trading on the Effective Date, ALO Shares will cease trading on ASX;
- on the Implementation Date:
  - all Scheme Shares will be transferred to Bidder (without any need for action by Scheme Shareholders); and
  - each Scheme Shareholder will receive the Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; and
- Alloggio will be removed from the official list of ASX and will cease to be listed on ASX.

The detailed terms of the Scheme are set out in the Scheme Implementation Deed and the attachments to it. In support of its obligations to provide or procure the provision of the Scheme Consideration under the Scheme Implementation Deed, Next Capital, Bidder Nominee and Bidder HoldCo have executed the Deed Poll in favour of Alloggio Shareholders, a copy of which is attached at Appendix E.

For the Scheme to proceed, each Scheme Resolution must be approved by the Requisite Majorities of Alloggio Shareholders at the relevant Scheme Meeting and the Scheme must be approved by the Court. There are also other Conditions Precedent that need to be satisfied before the Scheme proceeds. The Conditions Precedent are outlined in Section 7.1(a).

As noted above, if the Scheme is approved by Alloggio Shareholders and by the Court and all other Conditions Precedent are satisfied or waived (where capable of being waived), then Alloggio will become a wholly owned subsidiary of Bidder Nominee, which, in turn, is a wholly-owned subsidiary of Bidder HoldCo, and will be delisted from ASX.

If the Scheme is not approved, then the Scheme will not be implemented, and Alloggio will continue as a stand-alone entity listed on ASX.

6.3 What you will receive

If the Scheme becomes Effective, each General ALO Shareholder will receive the Cash Scheme Consideration of $0.24 for each Alloggio Share held by that Alloggio Shareholder as at the Scheme Record Date.

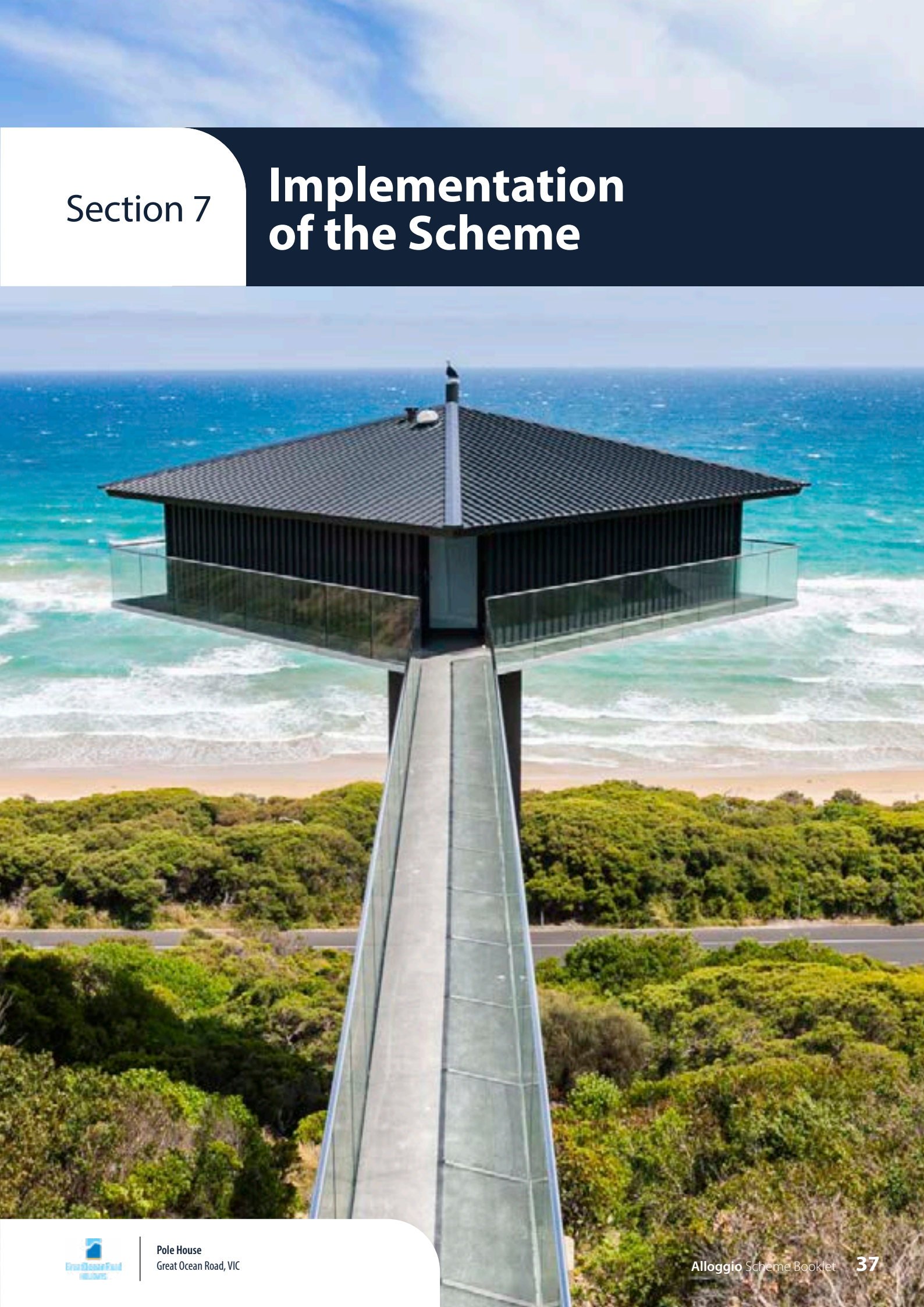
If the Scheme is implemented, Alloggio Shareholders will receive the following Scheme Consideration:

- **Cash Scheme Consideration**: For each Alloggio Share held by a General ALO Shareholder as at the Scheme Record Date, the Cash Scheme Consideration will be $0.24.
- **Scrip Scheme Consideration**: The Founding Shareholders will receive Scrip Scheme Consideration instead of Cash Scheme Consideration. The Founding Shareholders will receive 1 Bidder HoldCo Share in Bidder HoldCo issued at $0.24 per share, for each Scheme Share they hold at the Scheme Record Date.

It is important to note that if an Alloggio Shareholder sells the ALO Shares before the Scheme Record Date, they will not receive the Scheme Consideration. The Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date.

Section 7

Implementation of the Scheme



Pole House
Great Ocean Road, VIC

The Scheme Implementation Deed sets out the rights and obligations of ALO and Bidder Group in connection with the Scheme. A copy of the Scheme Implementation Deed is available on the ASX website. The key terms of the Scheme Implementation Deed are summarised below.

7.1 Scheme Implementation Deed

a. Conditions Precedent

The Scheme is subject to a number of Conditions Precedent under its terms and terms of the Scheme Implementation Deed. The Conditions Precedent are:

- **FIRB Approval**: before 5.00pm on the Business Day before the Second Court Date one of the following has occurred:
  - Bidder has received written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia (**Treasurer**), advising that the Commonwealth Government has no objections to the Transaction, either unconditionally or on terms that are acceptable to Bidder acting reasonably;
  - the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Transaction and the Transaction is not prohibited by section 82 of the FATA; or
  - where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision;
- **ASIC and ASX**: before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents, waivers, relief or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Scheme, and those consents, waivers, relief or approvals or other acts have not been withdrawn or revoked at that time;
- **Regulatory Approvals**: before 8.00am on the Second Court Date all Regulatory Approvals, other than FIRB Approval, which are necessary, or which the parties agree are desirable, to implement the Schemes have been issued or received (as applicable) either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably) and such Regulatory Approvals remain in full force and effect in all respects and have not been withdrawn, cancelled or revoked as at 8.00am on the Second Court Date;
- **Shareholder approval**: ALO Shareholders approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities;
- **Independent Expert**: the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of ALO Shareholders before the time when the Scheme Booklet is registered by ASIC and does not change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date;
- **Court approval**: the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by Bidder);
- **Release of Escrowed Shares**: before 8.00am on the Second Court Date, ALO has unconditionally released from escrow all of the Escrowed Shares;
- **ALO Options**: on or before 8.00am on the Second Court Date, the ALO Board has made a determination that each outstanding ALO Option will be exercised in exchange for ALO Shares or will lapse or be terminated in accordance with the ALO Employee Option Plan, ALO Lead Manager Option Plan or ALO Director Option Plan (as applicable) by 5.00pm on the Business Day before the Scheme Record Date;

- **Restraints**: no law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency which restrains, prohibits, impedes or otherwise materially adversely impacts upon (or could reasonably be expected to restrain, prohibit, or otherwise materially adversely impede or impact upon) implementation of the Scheme, is in effect at 8.00am on the Second Court Date;
- **No ALO Material Adverse Change**: no ALO Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Bidder, between (and including) the date of this deed and 8.00am on the Second Court Date; and
- **No ALO Prescribed Occurrence**: no ALO Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date;
- **ALO Representations and Warranties**: the ALO Representations and Warranties are true and correct in all material respects at all times between the date of this document and as at 8.00am on the Second Court Date, except where expressed to be operative at another date;
- **Bidder Representations and Warranties**: the Bidder Representation and Warranties are true and correct in all material respects at all times between the date of this document and as at 8.00am on the Second Court Date, except where expressed to be operative at another date;
- **Founding Shareholders' entry into SHD**: before 8:00am on the Business Day before the Second Court Date the Founding Shareholders agree in writing to sign the SHD, subject to the Scheme becoming Effective;
- **Change of control consents**: in respect of the leases of the properties located at:
  - 1/25 Hastings Street, Noosa;
  - 147 Sooning Street, Nelly Bay; and
  - 142 Sooning Street, Nelly Bay,

each relevant counterparty has given written approval to the transfer of Scheme Shares to Bidder in accordance with the Scheme and waiving any rights it may have to prevent the transfer before 8.00am on the Second Court Date; and

- **CBA Facility**: as at 8:00am on the Second Court Date, the CBA Facility remains in full force and effect as it is at the date of this deed, with no 'defaults', 'events of default', 'review events' or acceleration of repayment (as those terms are defined in the CBA Facility) or any other similar events or rights in favour of CBA, and no circumstances (other than the transactions contemplated by this deed) which could give rise to any such events or rights in favour of CBA exist.

If the Conditions Precedent are not fully satisfied or waived, then the Scheme will not proceed. As at the date of this Scheme Booklet, none of the ALO Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

See the Scheme Implementation Deed and the Glossary in Section 13 for the meanings of the defined terms in this Section 7.1.

b. Exclusivity Provisions

ALO has agreed to exclusivity provisions in the Scheme Implementation Deed, as summarised below.

ALO must cease any discussion or negotiations existing as at the date of the Scheme Implementation Deed relating to a Competing Proposal.

During the Exclusivity Period, ALO must not, and must ensure that each other ALO Group Member and each of ALO and ALO Group Member's Related Persons do not, directly or indirectly:

- **No shop**: solicit, invite, encourage, facilitate or initiate any enquiries, expressions of interests, offers, proposals, negotiations, discussions or other communications by any person, in relation to, or which may reasonably be expected to encourage or lead to the making of, or with a view to obtaining, any actual, proposed or potential Competing Proposal, or communicate to any person an intention to do so;

- **No talk**: facilitate, participate in or continue in negotiations or discussions with any person with respect to an enquiry, expression of interest, offer, proposal, discussion, negotiation or other communication by any person in relation to, or which may reasonably be expected to encourage or lead to the making of, any actual, proposed or potential Competing Proposal;
  - negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into any agreement, arrangement or understanding with any person regarding any actual, proposed or potential Competing Proposal;
  - communicate to any person an intention to do anything referred to above,

even if:

- the Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by ALO, any other ALO Group Member or any of their Related Persons; or
- the Competing Proposal has been publicly announced.

This no talk restriction does not apply if the ALO Board acting in good faith determines:

- after consultation with ALO's Financial Advisers and external legal advisers, that the Competing Proposal is, or could reasonably be expected to lead to a Superior Proposal; or
- after receiving legal advice from its external legal advisers, that compliance with the no talk and no due diligence restrictions, would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the ALO Directors (**Fiduciary Exception**); and
- **No due diligence**: disclose or otherwise provide or make available any non-public information about the business, assets or affairs of the ALO Group or any ALO Group Member (**Non-public ALO Information**) to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to lead to a Competing Proposal, or communicate to any person an intention to do any of these things. This no due diligence restriction is subject to the Fiduciary Exception.

Notification of Competing Proposals: During the Exclusivity Period, ALO must as soon as reasonably practicable (and in any event within 24 hours) notify Bidder in writing if it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:

- negotiations, discussions or other communications, or approach, in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal;
- approach or proposal made to, or received by, ALO, any of its Related Bodies Corporate or any of their respective Related Persons, in connection with, or in respect of any exploration or completion of, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal (or which is otherwise, of itself, a Competing Proposal);
- any request made by a Third Party for any Non-public ALO information (other than where the ALO Board reasonably believes that such request is not in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any actual, proposed or potential Competing Proposal); or
- provision by ALO, any of its Related Bodies Corporate or any of their respective Related Persons of any Non-public ALO Information to any Third Party (other than a Government Agency) in connection with a Competing Proposal, a proposed or potential Competing Proposal, or any of the things described in the above paragraphs (inclusive),

whether direct or indirect, solicited or unsolicited, and in writing or otherwise (each, a **Notifiable Proposal**).

Matching Right: during the Exclusivity Period, ALO:

- must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, ALO or any Related Body Corporate of ALO propose or proposes to undertake, implement or give effect to any actual, proposed or potential Competing Proposal; and
- must procure that, in relation to a Competing Proposal, none of the ALO Directors adversely change, withdraw, adversely modify or adversely qualify their Recommendation, publicly recommend, support or endorse any actual, proposed or potential Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,

unless:

- the ALO Board has made the determination contemplated by clause 10.2 of the Scheme Implementation Deed (**Fiduciary Exception**);
- ALO has provided Bidder with a notice setting out all material terms and conditions of the Competing Proposal (including, but not limited to, price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing, conditions precedent and the identity of the Third Party that made, together with any Third Party stated to be involved in, the Competing Proposal) (in each case, to the extent known by ALO, an ALO Group Member or any of their Related Persons);
- ALO has given Bidder at least five clear Business Days after the date of the provision of the notice referred to above to announce or otherwise propose or provide to ALO a written counter-proposal to the Competing Proposal (**Bidder Counterproposal**); and

either:

- Bidder has not announced or otherwise proposed or provided to ALO a Bidder Counterproposal by the expiry of the five clear Business Day period referred to above; or
- the ALO Board has made the determination contemplated by clause 10.4(d) of the Scheme Implementation Deed.

If Bidder announces or otherwise proposes or provides to ALO a Bidder Counterproposal by the expiry of the five clear Business Day period referred to above, ALO must procure that the ALO Board promptly considers the Bidder Counterproposal and determines, acting in good faith, after consulting with ALO's Financial Adviser and external legal advisers, whether the Bidder Counterproposal would provide an outcome that is no less favourable (or more favourable) for ALO Shareholders (as a whole) than the Competing Proposal, taking into account all terms and conditions and other aspects of:

- the Bidder Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of ALO Shareholders in relation to the Bidder Counterproposal compared to the Competing Proposal, the ability of the proponent to complete the transactions contemplated by the Competing Proposal compared to the Bidder Counterproposal, the probability of the Bidder Counterproposal being completed compared to the Competing Proposal and other relevant legal, financial, regulatory and other matters); and
- the Competing Proposal (including the matters set out in paragraphs (a) and (b) of the definition of 'Superior Proposal'),

(**Matching or Superior Proposal**).

If the ALO Board determines that a Bidder Counterproposal is a Matching or Superior Proposal, then:

- ALO must promptly, and in any event within 48 hours, notify Bidder of the determination in writing, stating reasons for that determination; and
- ALO and Bidder must use their best endeavours to agree any amendments to the Scheme Implementation Deed (and any other transaction documents required) and the contents of this Scheme Booklet which are reasonably necessary to reflect and implement the Bidder Counterproposal in each case as soon as reasonably practicable.

If the ALO Board determines that a Bidder Counterproposal is not a Matching or Superior Proposal, then ALO must promptly, and in any event within 48 hours notify Bidder of the determination in writing, stating reasons for that determination.

No Facilitation: ALO Group must not encourage, facilitate or assist (including by providing Non-public ALO Information):

- a Third Party to directly or indirectly through one or more transactions acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 10% or more of ALO Shares; or
- a person who has a Relevant Interest in more than 10% of ALO Shares to dispose of (or agree to dispose of, whether conditionally or otherwise) a Relevant Interest in 10% or more of ALO Shares (including by way of buy-back or other form of capital return or issuance of a security). In determining whether the 10% level has been reached, all disposals (and agreements to dispose) (regardless of whether or not they each relate to a disposal or agreement to dispose of less than 10%) will be aggregated.

See clause 10 of the Scheme Implementation Deed for full details of the exclusivity provisions.

c. Break Fee

ALO has agreed to pay Bidder a break fee of $600,000 if:

- during the Exclusivity Period, any ALO Director:
  - fails to recommend the Scheme;
  - withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that ALO Shareholders vote in favour of the Scheme; or
  - makes a public statement:
    A. supporting, endorsing or recommending any Competing Proposal;
    B. to the effect they no longer support the Scheme; or
    C. otherwise indicating that they no longer the Transaction or recommend that ALO Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

  unless:

  - the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interests of General ALO Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including, but not limited to, a Superior Proposal));
  - the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme is required by the Scheme Implementation Deed; or
  - ALO is entitled to terminate the Scheme Implementation Deed in certain circumstances and has given the appropriate termination notice to Bidder;
- a Competing Proposal of any kind is announced prior to the Effective Date, and within 12 months of its announcement, the Third Party who made the Competing Proposal completes a Competing Proposal or otherwise acquires a Relevant Interest in, or becomes the holder of, 50% or more of ALO Shares and that acquisition is unconditional; or
- Bidder terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete.

Bidder has agreed to pay ALO a reverse break fee of $300,000 if during the Exclusivity Period ALO terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete.

d. Termination

Either ALO or Bidder may terminate the Scheme Implementation Deed by written notice to the other party (other than in respect of a breach of a Bidder Representation and Warranty or an ALO Representation and Warranty) or an ALO Regulated Event:

- at any time before 8.00am on the Second Court Date, if Bidder (in the case of termination by ALO) or ALO (in the case of termination by Bidder) has materially breached the Scheme implementation Deed (and the relevant breach is material when taken in the context of the Scheme as a whole), the party entitled to terminate has given written notice to the party in breach of the Scheme Implementation Deed setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed, and the other party in breach of the Scheme Implementation Deed has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given (in which case such termination will take effect at the expiry of that period);
- in the circumstances set out in, and in accordance with, clause 3.4 of the Scheme Implementation Deed (provided that the party purporting to terminate the Scheme Implementation Deed has complied with its obligations in clause 3.4 of the Scheme Implementation Deed to the extent applicable);
- if ALO Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities and notice is not given under clause 3.4(d) of the Scheme Implementation Deed; or
- if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date (provided that the party purporting to terminate the Scheme Implementation Deed has complied with its obligations in clause 3.4 of the Scheme Implementation Deed to the extent applicable).

Bidder may terminate the Scheme Implementation Deed by written notice to ALO at any time before 8.00am on the Second Court Date if:

- any ALO Director:
  - fails to recommend the Scheme;
  - withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that ALO Shareholders vote in favour of the Scheme; or
  - makes a public statement:
    A. supporting, endorsing or recommending any Competing Proposal;
    B. to the effect they no longer support the Scheme; or
    C. otherwise indicating that they no longer the Transaction or recommend that ALO Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

    for any reason and whether or not permitted to do so under the Scheme Implementation Deed other than in respect of an ALO Director where that ALO Director is required by a court, ASIC or the Takeovers Panel to abstain from making a Recommendation; or
- in any circumstances, an ALO Group Member enters into a definitive agreement in relation to the implementation of a Competing Proposal.

ALO may terminate the Scheme Implementation Deed by written notice to Bidder at any time before 8.00am on the Second Court Date if a majority of ALO Directors:

- fail to recommend the Scheme;
- withdraw, adversely change, adversely modify or adversely qualify their Recommendation that ALO Shareholders vote in favour of the Scheme; or

- make a public statement indicating that they no longer recommend the Transaction or recommend that ALO Shareholders accept or vote in favour of a Competing Proposal (but excluding a statement to the effect that no action should be taken by ALO Shareholders pending assessment of a Competing Proposal by the ALO Board or the completion of the matching right process set out in clause 10.4 provided that the Board publicly re-affirms its Recommendation in favour of the Transaction when making such statement),

in each case, where expressly permitted by, and in accordance with, the Scheme Implementation Deed.

Termination for breach of representations and warranties

Bidder may, at any time prior to 8.00am on the Second Court Date, terminate the Scheme Implementation Deed for a material breach of an ALO Representation and Warranty only if:

- Bidder has given written notice to ALO setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- the relevant breach is material in the context of the Scheme taken as a whole.

ALO may, at any time before 8.00am on the Second Court Date, terminate the Scheme Implementation Deed for a material breach of a Bidder Representation and Warranty only if:

- ALO has given written notice to Bidder setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- the relevant breach is material in the context of the Scheme taken as a whole.

The Scheme Implementation Deed is terminable if agreed to in writing by Bidder and ALO.

Termination for breach of ALO Regulated Event

Bidder may, at any time prior to 8.00am on the Second Court Date, terminate the Scheme Implementation Deed for a breach of an ALO Regulated Event only if:

- Bidder has given written notice to ALO setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- the relevant breach is material in the context of the Scheme taken as a whole (other than in respect of each ALO Regulated Event in paragraphs (b) (Material contracts), (c) (Capital Expenditure), (d) (Disputes), (e) (Financing), (g) (Guarantees and indemnities), (h) (Accounting), (i) (Employees), 1.1(j) (Advisers), 1.1(k) (Tax), (l) (Related party transactions), of the definition of ALO Regulated Event, of which any breach of which will enable Bidder to terminate the Scheme Implementation Deed).

7.2 ALO equity incentives

a. Overview

As an incentive to align their interests with those of the ALO Shareholders, Alloggio operates the:

- ALO Director Option Plan;
- ALO Employee Option Plan; and
- ALO Lead Manager Option Plan,

(the **ALO Equity Incentives**).

As at the Last Practicable Date, Alloggio had issued:

- 8,000,000 ALO Director Options;
- 2,000,000 ALO Employee Options; and
- 3,000,000 ALO Lead Manager Options.

b. Intended treatment of ALO Equity Incentives

Under the Scheme Implementation Deed, ALO must ensure that, by the Second Court Date, each outstanding ALO Option will be exercised in exchange for ALO Shares or will lapse or be terminated in accordance with their terms.

i. ALO Director Options

Each ALO Director has agreed that its (or its Associates) ALO Director Options will lapse if the Scheme becomes Effective and otherwise will remain on foot in accordance with the terms of the ALO Director Option Plan.

ii. ALO Employee Options

The ALO Board intends to take such actions as are necessary (including to pass a board resolution and amend the ALO Employee Option Plan with the consent of holders of ALO Employee Options):

- to cancel all unvested ALO Employee Options; and
- for each unvested ALO Employee Option pay the holder a cash amount equal to the Cash Scheme Consideration less the exercise price of the ALO Employee Option.

The aggregate net cash payment for all ALO Employee Options is expected to be $200,000.

If the Scheme does not become Effective, the ALO Employee Options will remain on foot in accordance with the terms of the ALO Employee Option Plan.

iii. ALO Lead Manager Options

As at the Last Practicable Date, Alloggio has given notice to holders of the ALO Lead Manager Options that the ALO Lead Manager Options are, subject to the Scheme becoming Effective, exercisable at $0.30 per ALO Lead Manager Option.

If any or all of the ALO Lead Manager Options are not exercised and the Scheme becomes Effective, any ALO Lead Manager Options that have not been exercised will lapse. Bell Potter has challenged Alloggio's determination that the ALO Lead Manager Options will lapse however, the Independent Board Committee considers Bell Potter's claims are without merit. If Bell Potter's contentions are correct then the ALO Lead Manager Options will not lapse.

7.3 Key steps to implement the Scheme

a. Deed Poll

On 5 July 2023, Next Capital, Bidder Nominee and Bidder HoldCo executed the Deed Poll in favour of Alloggio Shareholders, under which Bidder has effectively agreed to (among other things) provide the Scheme Consideration to each Scheme Shareholder, subject to the Scheme becoming Effective.

A copy of the Deed Poll is attached as Appendix E to this Scheme Booklet.

b. Scheme approval requirements

The Scheme will only become Effective and will only be implemented if:

i. it is approved by the Requisite Majorities of ALO Shareholders at each of the Scheme Meetings;

ii. it is approved by the Court on the Second Court Date; and

iii. the other Conditions Precedent to the Scheme outlined in Section 7.1(a) are satisfied or waived (as applicable) prior to the implementation of the Scheme.

General ALO Shareholders are asked (but not required) to vote on the General Scheme Resolution at the General Scheme Meeting, and Founding Shareholders are asked (but not required) to vote on the Founding Shareholders Scheme Resolution at the separate Founding Shareholders Scheme Meeting.

The requisite majorities for each Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

i. in relation to the General Scheme Resolution:
   A. at least 75% of the votes cast on the General Scheme Resolution at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and
   B. a majority in number (more than 50%) of the General ALO Shareholders present and voting at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and

ii. in relation to the Founding Shareholders Scheme Resolution:
   A. at least 75% of the votes cast on the Founding Shareholders Scheme Resolution at the Founding Shareholders Scheme Meeting (either virtually or by proxy, representative or attorney); and
   B. a majority in number (more than 50%) of the Founding Shareholders present and voting at the Founding Shareholders Scheme Meeting (either virtually or by proxy, representative or attorney).

The Court has the power to waive the second requirement in each of the paragraphs above.

c. Founding Shareholders and Founding Shareholders Scheme Meeting

The Founding Shareholders are Davkat (Australia) Pty Ltd as trustee for Bandon Trust (being an entity controlled by William Creedon) and Bubbles 1 Pty Ltd as trustee for Karen Howard Family Trust (being an entity controlled by Karen Howard).

As at the Last Practicable Date, the Founding Shareholders hold the following ALO Shares:

i. 46,929,510 ALO Shares owned by Davkat (Australia) Pty Ltd as trustee for Bandon Trust, being approximately 23.4% of the total ALO Shares on issue;

ii. 10,941,290 ALO Shares owned by Bubbles 1 Pty Ltd as trustee for Karen Howard Family Trust, being approximately 5.5% of the total ALO Shares on issue.

The rights of the Founding Shareholders under the Scheme differ from those of the General ALO Shareholders because the Founding Shareholders are receiving their Scheme Consideration as Scrip Consideration but the General ALO Shareholders are not.

The rights of the Founding Shareholders under the Scheme are sufficiently different from those of the General ALO Shareholders such that the Founding Shareholders constitute a separate class of members for the purpose of voting on the Scheme.

The General ALO Shareholders will vote at the General Scheme Meeting but will not be permitted to vote at the Founding Shareholders Scheme Meeting.

d. Court hearings

The Court has ordered that Alloggio convene the Scheme Meetings for the purposes of Alloggio Shareholders considering the Scheme. The General Scheme Meeting is currently expected to be held at 9.30am AEST (Sydney, Melbourne) on 15 August 2023, virtually via an online meeting platform powered by Automic at https://investor.automic.com.au and the Founding Shareholders Scheme Meeting is to be held at 10.00am on 15 August 2023 or as soon thereafter as the General Scheme Meeting has concluded or is adjourned, also through an online meeting platform powered by Automic at https://investor.automic.com.au.

The order of the Court convening the Scheme Meetings is not, and should not be treated as, an endorsement of the Court, or any other expression of opinion by the Court on, the Scheme.

If the Scheme is approved by the Requisite Majorities of Alloggio Shareholders at each of the Scheme Meetings, Alloggio will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majorities of Alloggio Shareholders at each Scheme Meeting. The Second Court Date is currently expected to be held at 10.15am AEST (Sydney, Melbourne) on 28 August 2023, though a different date may be sought.

e. Actions by Alloggio and Bidder

If the Court order approving the Scheme is obtained, the directors of each of Alloggio and Bidder will take or procure the taking of the steps required for the Scheme to be implemented.

In particular, Alloggio will lodge with ASIC copies of the Court order under section 411(4)(b) of the Corporations Act, approving the Scheme and the Scheme will become Effective on the date the office copy of the Court order from the Second Court Date is lodged with ASIC.

f. Suspension of trading of ALO Shares

If the Court approves the Scheme, it is expected that the suspension of trading on ASX in Alloggio Shares will occur from the close of trading on the Effective Date.

g. Determination of who are Scheme Shareholders

For the purposes of establishing the identity of Scheme Shareholders, dealings in Alloggio Shares will be recognised by Alloggio if:

i. in the case of dealings of the type to be effected on CHESS, the transferee is registered in the ALO Share Register as the holder of the relevant ALO Shares before the Scheme Record Date; and

ii. in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the ALO Share Register is kept,

and Alloggio will not accept for registration, or recognise for any purpose (except a transfer to Bidder pursuant to the Scheme and any subsequent transfer by Bidder or its successors in title), any transfer or transmission application or other request in respect of ALO Shares received after the Scheme Record Date or received prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

Alloggio will, until the Scheme Consideration has been paid and Bidder has been entered in the ALO Share Register as the holder of all of the Scheme Shares, maintain the ALO Share Register in accordance with clause 6.2 of the Scheme and the ALO Share Register in this form will solely determine entitlements to the Scheme Consideration.

h. Provision of Scheme Consideration

Cash Scheme Consideration

If the Scheme becomes Effective by no later than one Business Day before the Implementation Date, Bidder must deposit, or procure the deposit of, an amount in cleared funds at least equal to an aggregate amount of the Cash Scheme Consideration payable into a trust account operated by or on behalf of Alloggio, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will accrue to the benefit of Bidder.

On the Implementation Date, subject to the funds having been deposited by Bidder in the manner described in the previous paragraph, Alloggio will pay to each Scheme Shareholder an amount equal to the amount of Cash Scheme Consideration which that Scheme Shareholder is entitled to receive for each Scheme Share registered in the name of that Scheme Shareholder as at the Scheme Record Date (less any amount to be retained in accordance with clause 5.7(a)(ii) of the Scheme) by (in Alloggio's absolute discretion and despite any election made or given by the Scheme Shareholder):

i. where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the ALO Share Registry to receive dividend payments from Alloggio by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;
ii. paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Alloggio; or
iii. dispatching or procuring the dispatch, of a cheque in Australian currency drawn out of the trust account referred to above for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder, such cheque being drawn in the name of the Scheme Shareholder or in the case of joint holders as set out in Section 7.3(i) below.

Scrip Consideration

If the Scheme becomes Effective by no later than 12.00pm on the Implementation Date (or such later time as Bidder and Alloggio agree in writing) Bidder HoldCo must:

iv. issue the relevant number of Bidder HoldCo Shares to the Founding Shareholders in accordance with clause 5.4 of the Scheme; and
v. procure that the name and address of such Scheme Shareholder is entered in Bidder HoldCo's register of members as the holder of those Bidder HoldCo Shares (and in relation to Bidder HoldCo Shares issued to such Scheme Shareholder, having the same holding name and address and other details as recorded in the ALO Share Register as at the Scheme Record Date).

i. ALO Shares held in joint names

In the case of Alloggio Shares that are held by Scheme Shareholders in joint names:

i. subject to clause 5.3(a)(ii) of the Scheme, any cheque required to be sent to Scheme Shareholders will be made payable to the joint holders and sent at the sole discretion of Alloggio, either to the holder whose name appears first tin the ALO Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account, in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
ii. any other document required to be sent under the Scheme will be forwarded at the sole discretion of Alloggio, either to the holder whose name appears first in the ALO Share Register as at the Scheme Record Date or to the joint holders.

j. Implementation Date

If the Scheme becomes Effective it will be implemented on the Implementation Date. On that date, all Alloggio Shares will be transferred to Bidder, subject to the payment of the Scheme Consideration in the manner described above.

k. Warranty by ALO Shareholders

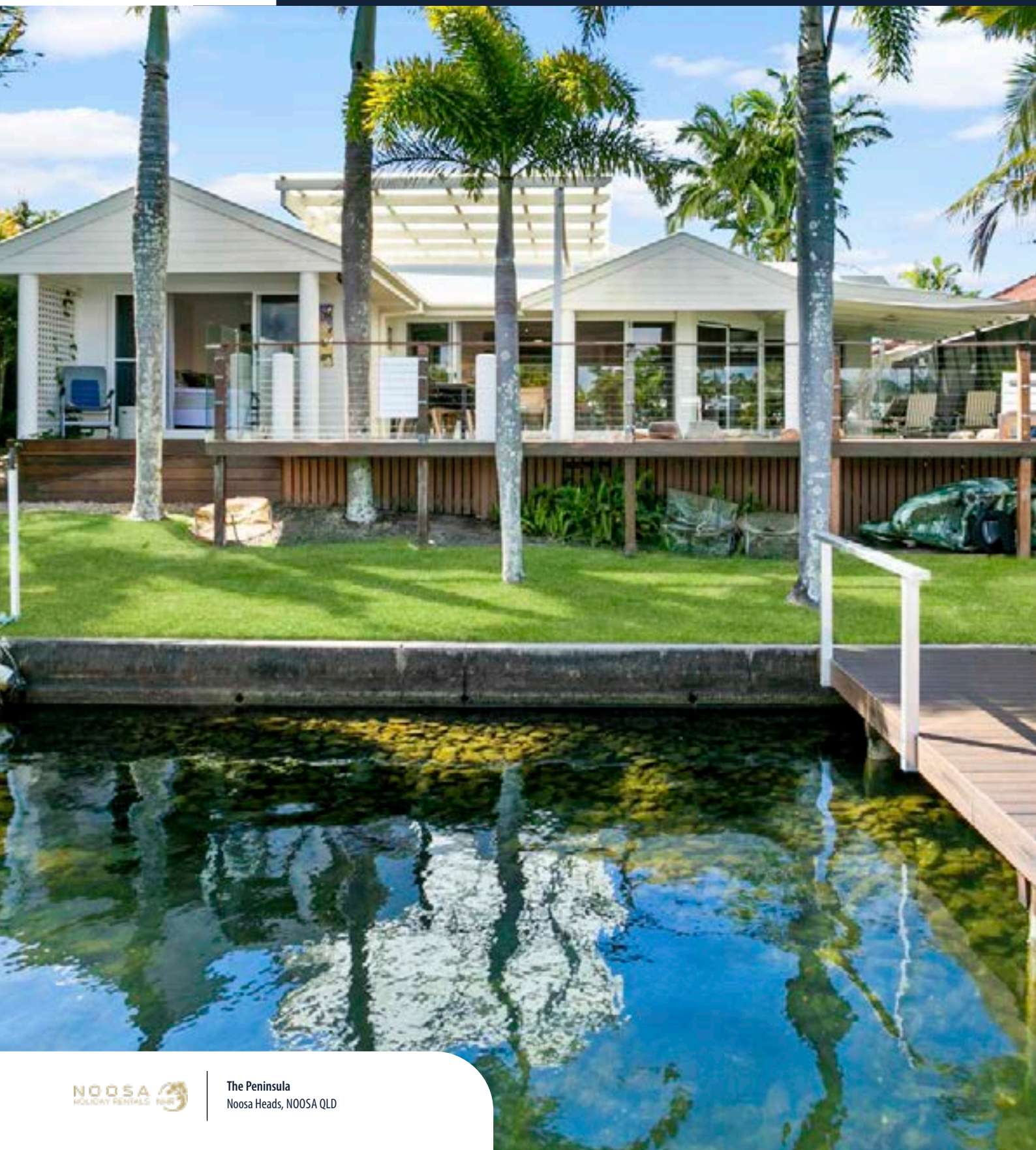
If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to Alloggio and Bidder, and appointed and authorised Alloggio as its attorney and agent to warrant to Bidder, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to Bidder pursuant to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Bidder pursuant to the Scheme. Each Scheme Shareholder is also deemed to have warranted to Alloggio and Bidder, and appointed and authorised Alloggio as its attorney and agent to warrant to Bidder, that the relevant Scheme Shareholder has no existing right to be issued any Alloggio Shares, ALO Equity Incentives or any other Alloggio equity securities, other than in the case of any Scheme Shareholder who is also a holder of ALO Equity Incentives, the right to be issued Alloggio Shares on the vesting of those ALO Equity Incentives (if applicable) before the Scheme Record Date in accordance with their terms. Alloggio undertakes that it will provide such warranty to Bidder as agent and attorney for each Scheme Shareholder.

l. Delisting of Alloggio

Following the implementation of the Scheme, Alloggio will apply for the termination of official quotation of Alloggio Shares on ASX and for Alloggio to be removed from the official list of ASX.

Section 8

Information about Alloggio



8.1 Responsibility for information

The information set out in this Section 8 was prepared by Alloggio and Alloggio is responsible for the information contained in this Section 8.

8.2 Overview of Alloggio

a. Introduction to Alloggio

Alloggio is a leading operator of short-term rental accommodation (**STRA**) on the east coast of Australia with a current portfolio of over 2256 holiday properties and 502 rooms/units via Mixed Accommodation as at 31 December 2022.

Alloggio utilises its cloud-based technology platform to operate its two key business divisions:

i. **Holiday property management** – An end-to-end management solution for holiday property owners offering STRA in popular tourism destinations; and

ii. **Mixed Accommodation** – Management of hotels, apartments, caravan and tourist parks.

Alloggio's holiday property management division operates and services holiday properties on behalf of the property owner in exchange for management and service fees. These properties are located in popular tourism destinations on the east coast of Australia.

Alloggio also manages Mixed Accommodation in metropolitan and regional NSW and QLD.

All properties are listed directly on Alloggio's proprietary website and marketplaces, and also indirectly through third-party OTAs.

Alloggio has developed its own scalable cloud-based technology platform using a combination of proprietary internally-developed software and technologies combined with licensed third-party software. The Company's cloud-based technology platform has a range of functionalities which includes, property management solutions, data analytics to provide dynamic pricing across its holiday property and mixed accommodation portfolio and providing the traveller with a seamless experience from search to booking to check-in to check-out.

Alloggio has grown to be the leading consolidator and operator in the highly fragmented STRA industry in Australia by:

- in-house development of Alloggio's scalable, cloud-based technology platform;
- migration of holiday properties onto Alloggio's platform in a highly fragmented market;
- the acquisition of holiday property management rights from traditional property managers such as real estate agents, of which holiday property management is non-core to their operations;
- geographical diversification of holiday properties as well as mixed accommodation, into new and existing popular tourism destinations; and
- growth of existing the holiday properties portfolio via direct marketing and referrals.

b. Evolution and growth of Alloggio

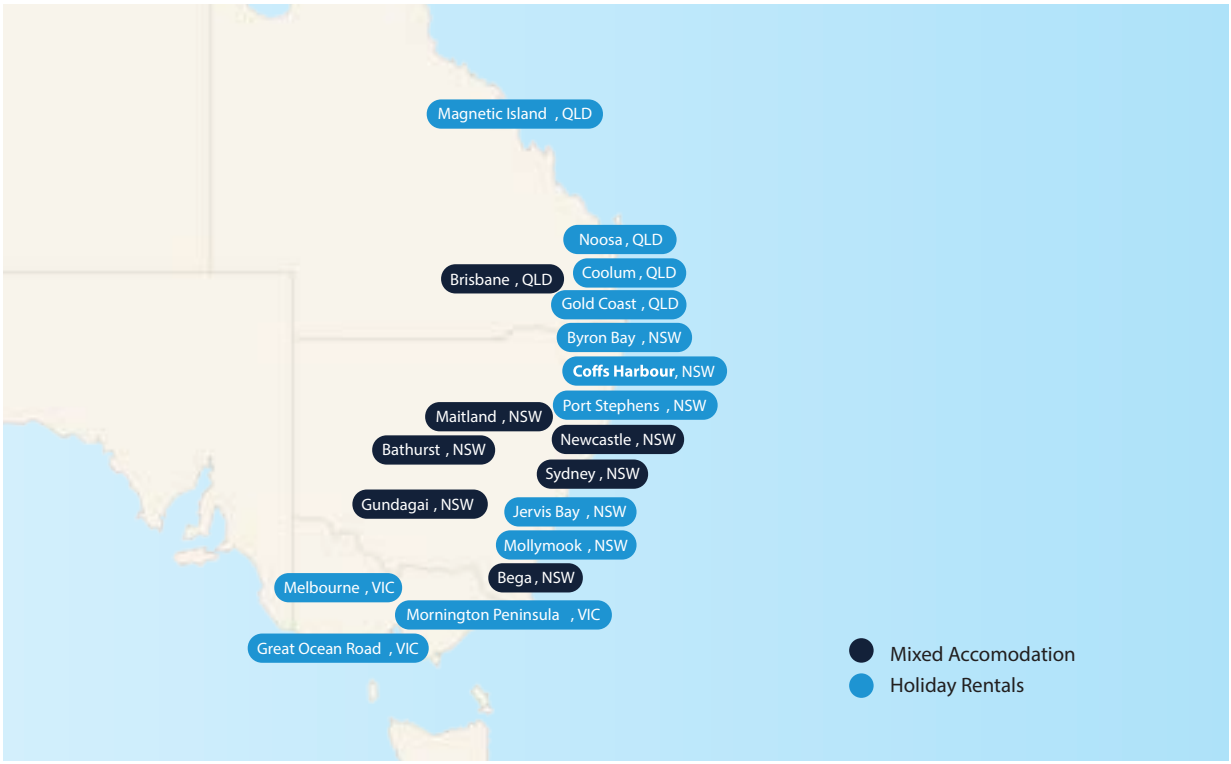
Alloggio was founded in 2015 by CEO William Creedon who has extensive experience in the hospitality and mixed accommodation industries in Australia and globally. Prior to 2015, he was engaged by corporations, financial institutions and business advisors to resolve inefficiencies in the delivery of accommodation and hospitality management systems and processes, the gateway for a traveller's experience.

The table showing acquisition timeline is presented below.

Financial Year	Location	Accommodation Type
	2016	
2015	Newcastle, NSW	Mixed Accommodation
	2017	
2017	Tighes Hill, NSW	Mixed Accommodation
2017	Mayfield, NSW	Mixed Accommodation
	2018	
2018	Port Stephens, NSW	Holiday property management rights
2018	Port Stephens, NSW	Holiday property management rights
	2019	
2018	Hamilton, NSW	Mixed Accommodation
2019	Port Stephens, NSW	Holiday property management rights
2019	Bathurst, NSW	Mixed Accommodation
2019	Hamilton, NSW	Mixed Accommodation
	2020	
2020	Bega, NSW	Mixed Accommodation
2020	Newcastle, NSW	Mixed Accommodation
2020	Mayfield, NSW	Mixed Accommodation
	2021	
2021	Hamilton, QLD	Mixed Accommodation
2021	Coffs Harbour, NSW	Holiday property management rights
2021	Thornton, NSW	Mixed Accommodation
2021	Noosa, QLD	Holiday property management rights
2021	Milton, NSW	Holiday property management rights
2021	Jervis Bay, NSW	Holiday property management rights
	2022	
2022	Mornington, VIC	Holiday property management rights
2022	Mollymook, NSW	Holiday property management rights
2022	Hamilton, QLD	Mixed Accommodation
	NOVEMBER 2021 – IPO	
2022	Coogee, NSW	Mixed Accommodation
2022	Great Ocean Road, VIC	Holiday property management rights
2022	Noosa, QLD	Holiday property management rights
2022	Magnetic Island, Qld	Holiday property management rights
2022	Coffs Harbour, NSW	Holiday property management rights

Financial Year	Location	Accommodation Type
	2023	
2023	Magnetic Island, QLD	Holiday property management rights
2023	Ulladulla, NSW	Holiday property management rights
2023	Aabode	Strategic acquisition
2023	Commercial Laundry Business, NSW	Strategic acquisition
2023	Gundagai, NSW	Mixed Accommodation
2023	Byron Bay, NSW	Holiday property management rights
2023	Melbourne, VIC	Holiday property management rights

The geographical footprint of Alloggio's operations is presented in the map below.



b. Evolution and growth of Alloggio continued

i. Property management solutions

Alloggio provides an end-to-end property management solution for all properties offering STRA in popular tourism destinations.

The Company's end-to-end property management solution offers:

- localised presence in each tourism destination enabling local management of all cleaning and general services relating to the holiday property;
- marketing initiatives such as access to Alloggio's database of over ~400,000 travellers, extensive social media networks, global connections and partnerships with tourism, destination and event specialists;
- holiday property styling and photography;
- management of rates and accommodation availability across all live booking websites including seasonal specials, last minute discounts, and repeat traveller discounts;

- dynamic pricing seamlessly adjusting accommodation rates according to the supply and demand of travellers;
- collation of, and response to, all traveller and holiday property owner communication;
- processing of all bookings and appraising travellers of the Terms and Conditions relating to the holiday property;
- ensuring localised Codes of Conduct (which differ from jurisdiction to jurisdiction) are enforced;
- secure automated key collection or meet and greet services;
- traveller services such as on-call response for travellers throughout their stay and after-hours emergencies;
- pre-arrival holiday property inspection;
- administration of security deposits and bonds to cover any damages;
- voluntary feedback review upon check-out;
- receipt and payment of all creditor invoices from the property management rights for work and services at the holiday property;
- trust accounting to meet jurisdictional regulations; and
- provision of monthly property owner's statements.

ii. Co-ordinate the services on behalf of third party OTAs

Alloggio integrates its scalable cloud-based technology platform with third-party OTAs to enable its managed properties to be marketed across multiple websites to maximise bookings for property owners. This extensive online network ensures Alloggio-managed properties are visible through both domestic and international accommodation search websites and that live bookings can be made for an Alloggio-managed property at any time.

c. Recent strategic acquisitions to support continuing growth

i. Acquisition of laundry business

Alloggio acquired a commercial laundry business in November 2022 to ensure ongoing linen supply to all properties, but particularly those in Regional NSW where laundry supply post-Covid became problematic.

Previously inconsistent linen supply (pre and post-Covid) was causing significant disruption to operations which was an ongoing risk to revenue and reputation.

The laundry operation ensures supply to not only Alloggio properties, but also to corporate clients in NSW and the ACT.

ii. Acquisition of AABODE.COM

Alloggio acquired Aabode.com in August 2022, a custom-built technology central channel manager that connects holiday homeowners with holidaymakers. Alloggio is enhancing the technology to ensure a wider distribution to a broader range of travel agents.

d. Operational hubs

Alloggio operates from hubs in key tourism destinations on the east coast of Australia. The Company has a current portfolio of over 2256 holiday properties and 502 rooms/units via Mixed Accommodation as at 31 December 2022.

Alloggio's hubs are overseen by a local team, having responsibility over the daily operations of the holiday properties and mixed accommodation they manage:

- creating economies of scale for owners and service providers;
- contributing to sustainable micro-economies; and
- providing localised support to owners enabling them and their properties to meet travellers' expectations.

e. Technology platform and intellectual property

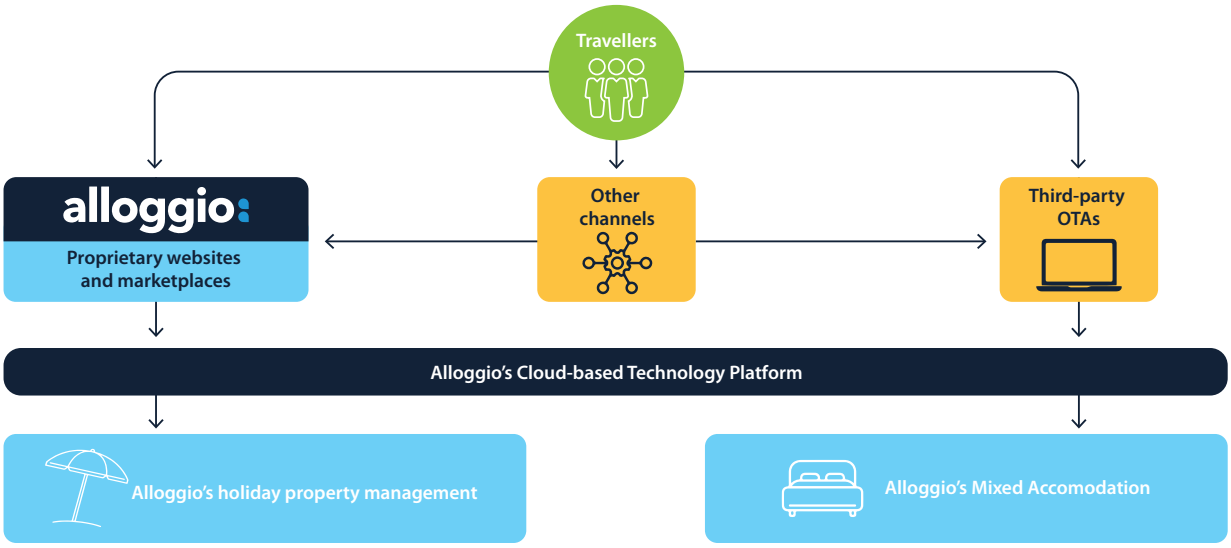
Alloggio has developed its own scalable cloud-based technology platform using a combination of proprietary internally-developed technologies with licensed third-party software.

The Company's bespoke platform is specifically designed to be scalable and fast, utilising cloud-based infrastructure, specifically for Alloggio's systems and features to be developed in a timely and cost-efficient manner compared to more traditional infrastructure and hosted solutions. The information held on Alloggio's scalable cloud-based platform is hosted in Australia.

Key features of Alloggio's scalable cloud-based technology platform include:

- back-end automation to facilitate efficiency and maximise margins;
- interlinking of multiple third-party software and technologies;
- surfacing datapoints to be utilised for Alloggio's present and potential future holiday property owners; and
- integrated third-party and in-house data feeds.

An overview of Alloggio's scalable cloud-based technology platform is provided below.



Alloggio seeks to provide both traveller and property owners with a seamless end-to-end experience through bespoke user-friendly interfaces. Alloggio has designed its user interface for an optimised experience that seamlessly transitions from desktop to mobile web on IOS and Android. This user experience continuity means that traveller and property owner interactions are repeatable across every channel.

i. Holiday property owner portal

The Alloggio scalable cloud-based technology platform allows the holiday property owner real-time accessible and transparent overview of the performance of their individual holiday property, as well as being able to:

- reserve booking dates for themselves;
- view rates and tariffs;
- see future bookings of their holiday property;
- request property maintenance;
- discuss holiday property home improvements; and
- review invoicing and monthly statements.

ii. Back-end platform

Alloggio's proprietary data analytics tracks the "pace" of the booking. Pace is the analysis of the time between a traveller making the booking and subsequently arriving at the property. This analysis enables Alloggio to implement dynamic pricing and also allocate resources such as marketing, pre-arrival property inspections, cleaning, linen provision etc.

Alloggio constantly sources software partners from around the world in order to facilitate data-backed decision-making and proactive planning, utilised for:

- dynamic pricing to adjust tariffs real-time based on market demand and competitor pricing;
- trust and operational accounting;
- the payments portal;
- providing proprietary data analytics on each property and overall portfolio;
- personalised holiday property owner reports;
- end-to-end seamless documentation of maintenance and tracking to completion; and
- creation of holiday property revenue appraisals via proprietary data analytics from comparable properties within the Alloggio portfolio.

f. Regulatory framework

Alloggio operates under regulatory and legislative frameworks which vary state by state. One of the emerging challenges for Local and State Governments is how to regulate the STRA sector.

Regulatory and legislative frameworks have created a barrier to entry, given the increased regulation to the STRA sector. The evolving regulatory and legislative framework across multiple jurisdictions has enabled Alloggio to acquire holiday property management rights from traditional holiday property managers such as real estate agents.

Alloggio contributes to Local and State Government requests for industry submissions, to assist with the regulation of the STRA industry and how it can best operate. This engagement has provided Alloggio with a targeted focus on understanding, complying with, and educating its holiday property owners on their responsibilities.

8.3 Board and senior management

a. ALO Board

Name	Role
Matthew Keen	Independent Non-Executive Director and Chair of Independent Board Committee
John Murphy	Independent Non-Executive Chair
William Creedon	Chief Executive Officer
Karen Howard	Non-Executive Director
Christopher Sneddon	Non-Executive Director

b. Senior management

Name	Role
William Creedon	Chief Executive Officer
Michael Potts	Chief Financial Officer & Company Secretary
Shaun Measday	Chief Operating Officer

8.4 Historical financial information

a. Basis of preparation

This section presents a summary of financial information in relation to Alloggio for the purpose of this Scheme Booklet. The information has been extracted from Alloggio's audited financial statements for the years ended 30 June 2021, 30 June 2022 and reviewed financial statements for the half year ended 31 December 2022.

The financial information contained in this section is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in the annual report prepared in accordance with the Corporations Act. The financial information has not been subject to further review by an independent accountant. This financial information should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

The announcement of the 1HFY23 results included guidance for FY23 Normalised EBITDA in the range of $6.4m-$8.2m. Revised guidance for FY23 Normalised EBITDA in the range of $4.8m-$5.1m was announced to the ASX on 17 May 2023.

Further details on Alloggio's financial performance and financial statements for FY22 set out in the audited financial statements announced to the ASX on 25 August 2022, and for the 1HFY23 (reviewed), announced to the ASX on 23 February 2023, can be found on the ASX website (https://www.asx.com.au) or the Alloggio website (https://investors.alloggio.com.au/).

b. Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

Below is a summary of Alloggio's consolidated statements of profit or loss and other comprehensive income for the years ended 30 June 2021, 30 June 2022 and half year ended 31 December 2022.

Statements of Profit or Loss and Other Comprehensive Income

	Half Year Ended 31 December 2022 Reviewed $	Full Year Ended 30 June 2022 Audited $	Full Year Ended 30 June 2021 Audited $
Revenue	18,892,290	27,834,802	11,293,072
Other income	6,147	577,991	1,351,567
Expenses			
Advertising and marketing	(552,215)	(396,641)	(196,459)
Booking fees	(502,150)	(517,326)	(267,410)
Consulting and professional fees	(287,492)	(634,259)	(273,189)
Depreciation and amortisation expense	(3,528,057)	(5,622,359)	(3,351,910)
Employee benefits expense	(5,428,369)	(6,586,701)	(2,627,256)
Food, beverage and supplies	(38,728)	(858,896)	(153,186)
Guest charges and supplies	(90,003)	(87,585)	(87,834)
Holiday guest or owner charges	(907,284)	(1,740,611)	(279,796)
Cleaning and linen supplies	(2,079,719)	(988,874)	(672,964)
Information technology	(439,894)	(550,489)	(332,147)
Labour related costs	(780,750)	(844,935)	(628,474)
Merchant and bartercard fees	(367,675)	(434,287)	(210,158)
Property related costs	(893,059)	(1,326,001)	(967,001)
Rent – short term leases	(350,864)	(67,384)	(35,535)
Repairs and maintenance	(138,558)	(456,775)	(194,183)
Transaction costs in connection with the IPO	–	(154,009)	–
Other expenses	(1,319,243)	(1,604,993)	(487,656)
Finance costs	(1,207,354)	(2,150,939)	(1,658,848)
Total expenses	**(18,911,414)**	**(25,023,064)**	**(12,424,006)**
(Loss)/Profit before income tax expense	**(12,977)**	**3,389,729**	**220,633**
Income tax expense	–	(1,379,049)	(122,154)
(Loss)/Profit after income tax expense	**(12,977)**	**2,010,680**	**98,479**
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive (loss)/income for the year	**(12,977)**	**2,010,680**	**98,479**
Basic earnings per share	(0.006)	1.24	0.12
Diluted earnings per share	(0.006)	1.24	0.12

c. Historical Consolidated Statements of Financial Position

Below is a summary of Alloggio's consolidated statements of financial position for the years ended 30 June 2021, 30 June 2022 and half year ended 31 December 2022.

Consolidated Statements of Financial Position

	31 December 2022 Reviewed $	30 June 2022 Audited $	30 June 2021 Audited $
Current assets			
Cash and cash equivalents	2,814,656	3,956,542	361,771
Restricted cash held in trust	34,689,842	17,361,970	6,124,095
Trade and other receivables	3,975,992	1,855,890	882,467
Contract assets	551,945	19,843	22,677
Inventories	61,640	14,345	–
Other assets	947,124	554,908	283,273
Total current assets	**43,041,199**	**23,763,498**	**7,674,283**
Non-current assets			
Other financial assets	50	50	50
Investment property	902,303	869,803	–
Property, plant and equipment	1,857,243	1,018,738	475,868
Right-of-use assets	39,401,434	40,427,874	29,872,515
Intangibles	38,849,815	25,113,427	9,511,074
Deferred tax	1,339,925	1,224,901	735,859
Other assets	368,195	249,587	66,026
Total non-current assets	**82,718,965**	**68,904,380**	**40,661,392**
Total assets	**125,760,164**	**92,667,878**	**48,335,675**
Current liabilities			
Trade and other payables	4,844,965	1,877,365	1,248,245
Contract liabilities	612,607	–	–
Borrowings	599,765	72,957	1,184,205
Lease liabilities	4,526,396	3,794,237	2,571,567
Income tax	1,446,462	1,338,056	373,930
Employee benefits	781,472	573,491	187,636
Provisions	2,000,000	–	–
Client trust account liabilities	34,689,842	17,361,970	6,124,095
Total current liabilities	**49,501,509**	**25,018,076**	**11,689,678**
Non-current liabilities			
Borrowings	13,291,446	6,135,879	5,005,000
Lease liabilities	37,887,730	39,135,049	29,854,326
Deferred tax	2,505,533	–	–
Employee benefits	204,405	87,567	40,153
Provisions	1,036,150	1,036,150	213,527
Total non-current liabilities	**54,925,264**	**46,394,645**	**35,113,006**
Total liabilities	**104,426,773**	**71,412,721**	**46,802,684**
Net assets	**21,333,391**	**21,255,157**	**1,532,991**
Equity			
Issued capital	25,063,811	25,063,811	7,673,086
Reserves	(4,088,108)	(4,179,319)	(4,500,080)
Retained profits/(accumulated losses)	357,688	370,665	(1,640,015)
Total equity	**21,333,391**	**21,255,157**	**1,532,991**

d. Historical Consolidated Statements of Cash Flows

Below is a summary of Alloggio's consolidated statements of cash flows for the years ended 30 June 2021, 30 June 2022 and half year ended 31 December 2022.

Consolidated Statements of Cash Flows

	Half Year Ended 31 December 2022 Reviewed $	Full Year Ended 30 June 2022 Audited $	Full Year Ended 30 June 2021 Audited $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	17,972,199	29,959,186	11,821,030
Payments to suppliers and employees (inclusive of GST)	(15,601,026)	(19,622,670)	(8,108,889)
Government grants and subsidies	–	323,406	535,216
Interest and other finance costs paid	(1,207,354)	(2,150,939)	(1,658,848)
Income taxes paid	–	(455,873)	(19,592)
Net cash from operating activities	**1,163,819**	**8,053,110**	**2,568,917**
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	(6,369,420)	–	–
Payment of deposit on rent roll acquisition	(62,700)	(13,890)	(61,300)
Payments for investment property	–	(869,803)	–
Payments for property, plant and equipment	(634,999)	(1,221,932)	(360,977)
Payments for intangibles	(1,026,306)	(16,479,989)	(4,691,577)
Payments for security deposits	(16,090)	(177,983)	–
Proceeds from disposal of property, plant and equipment	11,045	4,085	–
Proceeds from release of security deposits	–	–	12,319
Net cash used in investing activities	**(8,098,470)**	**(18,759,512)**	**(5,101,535)**
Cash flows from financing activities			
Proceeds from issue of shares/units	–	16,500,000	2,913,010
Repayment of lease liabilities	(1,889,610)	(2,810,936)	(972,172)
Share issue transaction costs	–	(1,642,525)	(113,222)
Dividends paid	–	–	(680,000)
Net proceeds from borrowings	7,682,375	2,454,880	901,349
Net cash from financing activities	**5,792,765**	**14,501,419**	**2,048,965**
Net increase/(decrease) in cash and cash equivalents	(1,141,886)	3,795,017	(483,653)
Cash and cash equivalents at the beginning of the financial year	3,956,542	161,525	645,178
Cash and cash equivalents at the end of the financial year	**2,814,656**	**3,956,542**	**161,525**

e. Material changes in financial position since 23 February 2023

As at the date of this Scheme Booklet, within the knowledge of the Alloggio directors, the financial position of Alloggio has not materially changed since 23 February 2023, being the date of Alloggio's reviewed accounts for the half year ending 31 December 2022.

8.5 Share price history

The chart below shows the ALO Share price performance over the period from listing on 25 November 2021 to 9 June 2023, being the last trading date prior to announcement that Alloggio and Next Capital had signed the amended and restated Scheme Implementation Deed.

8.6 Capital structure

As at the date of this Scheme Booklet, ALO's capital structure comprises:

Securities	Number of securities
ALO Shares	200,730,021
Director Options	8,000,000
Employee Options	2,000,000
Lead Manager Options	3,000,000

8.7 Substantial shareholders

Based on filings to ASX as at the Last Practicable Date, the substantial holders (within the meaning of the Corporations Act) of ALO Shares are as follows:

Name	Number of ALO Shares	Percentage of ALO Shares
Davkat (Australia) Pty Ltd as trustee for Bandon Trust (being an entity controlled by William Creedon)	46,929,510	23.4%
Harvest Lane Asset Management Pty Ltd	13,286,299	6.6%
Bubbles 1 Pty Ltd as trustee for Karen Howard Family Trust (being an entity controlled by Karen Howard)	10,941,290	5.5%

8.8 Alloggio Directors' intentions

If the Scheme is approved and implemented, the existing Alloggio Board will be reconstituted in accordance with the instructions of Bidder as the only shareholder in Alloggio. Accordingly, it is not possible for your Alloggio Directors to provide a statement of their intentions regarding:

a. the continuation of the business of Alloggio or how Alloggio's existing business will be conducted after the Scheme is implemented;

b. any major changes to be made to the business of Alloggio, including any redeployment of the fixed assets of Alloggio; or

c. the future employment of the present employees of Alloggio, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, Bidder will have 100% ownership of Alloggio issued shares and will control Alloggio. Please refer to Section 9 for a statement of Bidder Group's intentions for Alloggio if the Scheme becomes Effective.

If the Scheme is not implemented, the Alloggio directors intend to continue to operate the business of Alloggio in the ordinary course of the business.

8.9 ASIC lodgements and disclosures

Alloggio is a disclosing entity for the purposes of the Corporations Act, and as such is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, Alloggio is subject to the Listing Rules which require it (subject to certain exceptions) to notify the ASX immediately of any information of which it becomes aware concerning Alloggio that a reasonable person would expect to have a material effect on the price or value of its shares.

The disclosures made by Alloggio to the ASX, including annual and half yearly financial reports, are available free of charge from the ASX's website at www.asx.com.au. Further announcements concerning material developments in relation to Alloggio will continue to be available on that website after the date of this Scheme Booklet.

In addition, Alloggio is required to lodge annual and half year financial reports with ASIC. Copies of these and other documents lodged with ASIC by Alloggio may be obtained from ASIC.

ALO Shareholders may also obtain copies of the Alloggio annual report for the financial year ended 30 June 2022 free of charge by calling the Alloggio Shareholder Information Line on 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne), Monday to Friday.

Section 9

Information about Bidder Group

This Section 9 has been prepared by the Bidder Group and forms part of the Bidder Information. The information concerning the Bidder Group and any Bidder Group Member and the intentions, views and opinions contained in this Section 9 are the responsibility of Bidder Nominee. Alloggio and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

9.1 Information about Bidder Group

a. Overview of Next Capital

Established in 2005, Next Capital is a leading private equity firm founded by three of Australia's most experienced private equity practitioners.

Since its inception, Next Capital has focused on lower mid-market buyout opportunities with enterprise values of between A$50 million – A$200 million specialising in partnering with owners and managers of businesses to assist them in accelerating growth.

The partners of Next Capital have more than 70 years of combined private equity experience and have completed over 70 transactions across both Next Capital and during their time at the private equity business of Macquarie Group in Australia, Macquarie Direct Investments.

Next Capital's current and prior experience in the tourism and hospitality sectors, include its:

- historical investment in Discovery Holiday Parks, Australia's largest caravan and cabin park owner; and
- current investment in the Jucy campervan business and follow-on acquisition of the Star motor home business (divested from the merger of the Apollo Tourism & Leisure Ltd and Tourism Holdings Limited).

b. Overview of Bidder Nominee

Bidder Nominee is ALO Bidco Pty Ltd ACN 668 552 430, a new Australian proprietary limited company that was incorporated on 6 June 2023 for the purposes of acquiring all of the Scheme Shares. Bidder Nominee has not commenced trading or conducted business, and does not have any assets or liabilities, other than in connection with its incorporation, the entry into transaction documents in connection with the Scheme Implementation Deed and taking any steps contemplated by those documents.

Bidder Nominee is a wholly-owned subsidiary of Bidder Holdco, which is itself a wholly-owned subsidiary of Next Capital V, LP, a limited partnership which forms part of a private equity fund known as Next Capital Fund V (the **Next Capital Fund**), and is managed by Next Capital V Management Pty Limited. The investment mandate of the Next Capital Fund is to invest in mid-market private equity transactions sourced across Australia and New Zealand. Bidder Nominee is the nominee of Next Capital, which executed the Scheme Implementation Deed with Alloggio.

If the Scheme becomes Effective and is implemented, Bidder Nominee will acquire all of the Scheme Shares on the Implementation Date.

c. Overview of Bidder HoldCo

Bidder HoldCo is ALO Holdco Pty Ltd ACN 668 550 418, a new Australian proprietary limited company that was incorporated on 6 June 2023 to act as the holding company for Bidder Nominee. Bidder HoldCo is a wholly-owned subsidiary of the Next Capital Fund.

The only dealing in Bidder HoldCo Shares prior to the date of this Scheme Booklet has been the issue of all of 2 Bidder HoldCo Shares to Next Capital V, LP upon the incorporation of Bidder HoldCo, for a subscription price of $1 per Bidder HoldCo Share.

As noted in Section 7.1(a), a condition to implementation of the Scheme is that the Founding Shareholders execute a shareholders' deed in respect of Bidder HoldCo, subject to the Scheme becoming Effective. If this condition is satisfied, Bidder HoldCo proposes to issue an equal number of shares in Bidder HoldCo to the number of shares that Bidder Nominee will acquire in Alloggio. The Founding Shareholders, controlled by William Creedon and Karen Howard, will be offered an equal number of shares in Bidder HoldCo to the number of shares they currently

hold in Alloggio as consideration for their shares being acquired by Bidder Nominee. This Scrip Consideration is more particularly described below in Section 9.2(c). Subject to the condition being satisfied, the ownership of Bidder HoldCo Shares immediately following Implementation of the Scheme will be as follows:

	Number of Bidder HoldCo Shares held (directly or indirectly)	Percentage of Bidder HoldCo Shares held (directly or indirectly)
William Creedon	46,929,510	23.4%
Karen Howard	10,941,290	5.5%
Subtotal for Founding Shareholders	***57,870,800***	***28.8%***
Next Capital Fund	142,859,221	71.2%
Total	**200,730,021**	**100%**

d. Board of directors of Next Capital, Next Capital V Management Pty Ltd, Bidder Nominee and Bidder HoldCo

Next Capital

As at the date of this Scheme Booklet, Next Capital and Next Capital V Management Pty Limited have the following directors:

Name	Profile
Patrick Elliott	Patrick Elliott is a founding Partner of Next Capital. Prior to founding Next Capital, Patrick was an Executive Director of Macquarie Bank having joined the private equity division in 1997 and having led the division with the other Next founders, Sandy Lockhart and John White. Patrick, John and Sandy left Macquarie Bank at the end of 2004 to establish Next Capital. Before joining Macquarie Bank, Patrick was a Partner with Australia's leading insolvency and restructuring specialist, Ferrier Hodgson. Patrick served as Chairman of the Australian Venture Capital Association Limited (AVCAL) in 2004 and was formerly Non Executive Chairman of ASX100 listed retailer JB Hi-Fi. Patrick is or has been a Director of several investee companies, including Alpha Group, Lynch Group, iseek and most recently Compare Club.
John White	John White is a founding partner of Next Capital. John has overseen the acquisition of and been involved in the management of a number of portfolio companies, including Hirepool, Vitaco (the merged Healtheries and Nutra-Life businesses), Onsite, Discovery, GoBus, and most recently Jucy Group. Previously, he worked in the corporate finance group at Deutsche Bank in a number of roles, including the Head of the Australasian Telecommunications and Media Advisory Group, and at Ferrier Hodgson where he worked on corporate reconstruction and management and sale of distressed assets in both Australia and New York (with the firm's affiliate Kahn Consulting).

Name	Profile
James Murphy	James has been with Next Capital since 2007 and joined the partnership in 2014. James was formerly with UBS Investment Bank's M&A team. At UBS, he assisted in the execution of a series of material public and private market transactions. Previously, James was a member of Grant Samuel's corporate advisory team and a strategy consultant at Accenture, the global consulting firm. James is or has been a Director of a number of Next Capital's investments, including Scottish Pacific, Infinite Care, Forest Coach Lines, GoBus, Lynch Group, Funlab, Alpha Group, iseek, NZ Bus, Next Athleisure, InterHealthcare and Country Care Group, and was an alternate Director of Discovery Parks.
Bing Jiang	Bing has been with Next Capital since 2010 and joined the partnership in 2022. At Next Capital, Bing has been involved in the management of a number of portfolio companies including Vitaco, Aerocare, Discovery, GoBus, Forest Coach Lines, Funlab, and most recently, Enviropacific Services. Bing was formerly with Morgan Stanley's M&A team in Hong Kong. At Morgan Stanley, she executed numerous M&A and equity capital market transactions involving private equity firms, sovereign wealth funds and banks.

Bidder Nominee and Bidder HoldCo

As at the date of this Scheme Booklet, the directors of Bidder Nominee and Bidder HoldCo are:

Name	Profile
Patrick Elliott	See above
James Murphy	See above

Refer to Section 9.4(d) below for information on the proposed changes to the directors of Bidder Nominee and Bidder HoldCo following implementation of the Scheme.

9.2 Funding arrangements for Scheme Consideration

a. Background

If the Scheme is implemented, the Scheme Shareholders will be entitled to receive the Scheme Consideration in accordance with the terms of the Scheme and Deed Poll.

b. Cash Scheme Consideration

Based on the number of Scheme Shares on issue as at the date of this Scheme Booklet, the maximum amount of cash required to be paid by the Bidder to Scheme Shareholders is $34,286,213.04 for the Cash Scheme Consideration. The aggregate amount available under the equity commitment exceeds such amount.

Bidder Nominee has entered into a legally binding equity commitment letter with Next Fund V, under which Next Fund V agrees to cause Bidder Nominee to receive the aggregate amount of up to $34,300,000 (the **Equity Funding**). The Equity Funding will be used by Bidder Nominee for the sole purpose of paying, and to the extent necessary to pay, the Cash Scheme Consideration.

The provision of the Equity Funding is subject to all Conditions Precedent being satisfied or waived and the Scheme becoming Effective.

The Next Capital Fund has legally binding subscription agreements from the Fund's limited partners and legally binding commitment letters from external financiers to provide the Equity Funding. Additional amounts can be called on under the subscription agreements if required to meet the immediate future requirements of Alloggio.

c. Scrip Scheme Consideration

The Bidder has offered scrip consideration in Bidder HoldCo and will procure that Bidder HoldCo is bound to issue this scrip consideration.

It is proposed that Bidder HoldCo will issue an equal number of shares in Bidder HoldCo to the number of shares that Bidder Nominee will acquire in Alloggio. The Founding Shareholders, controlled by William Creedon and Karen Howard, will be offered an equal number of shares in Bidder HoldCo to the number of shares they currently hold in Alloggio as consideration for their shares being acquired by Bidder Nominee. Together, they will become minority shareholders in Bidder HoldCo. The Scheme Implementation Deed is conditional on the Founding Shareholders executing a shareholders' agreement in respect of Bidder HoldCo, subject to the Scheme becoming Effective.

d. Conclusion

On the basis of the arrangements described above, Bidder and Bidder HoldCo believe they have reasonable grounds for holding the view, and do hold the view, that Bidder and Bidder HoldCo will be able to satisfy their obligations to provide the Scheme Consideration as and when it is due under the terms of the Scheme.

9.3 Bidder Group's interests in ALO Shares

a. Shares being acquired

The Bidder proposes to acquire 100% of the shares in Alloggio. As at the date of this Scheme Booklet, that amounts to 200,730,021 shares. The Bidder proposes that Alloggio will cash settle the options which have not been exercised that are at a price per share below $0.24, of which there are 2 million options.

b. Interests in ALO Shares

As at the date of this Scheme Booklet, none of Bidder or any of its Associates have any relevant interest or voting power in any Alloggio Shares.

For completeness, Next Capital Fund notes that James Murphy is the son of John Murphy, who is currently a director of Alloggio and holds 4,721,429 shares in Alloggio. James Murphy is a director of Next Capital and is also a director of the newly incorporated entities, Bidder Nominee and Bidder HoldCo.

c. No interest in Founding Shareholders' shares

There are no agreements, understandings or arrangements in place between any Bidder Group Member and any Founding Shareholder as to the manner in which the Founding Shareholders will vote on the Scheme Resolution (or which would otherwise give any Bidder Group Member control or influence over the right to dispose of, or exercise votes attaching to, ALO Shares held by the Founding Shareholders).

d. No dealing in Alloggio Shares in previous four months

None of Bidder or any of its Associates has provided, or agreed to provide, consideration for Alloggio Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

e. No inducing benefits during the previous four months

During the period of four months before the date of this Scheme Booklet, none of Bidder or any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person to vote in favour of the Scheme or dispose of Alloggio Shares, where the benefit was not offered to all Alloggio Shareholders.

f. Benefits to current Alloggio officers

Other than as disclosed in this Scheme Booklet, none of Bidder nor any member of the Bidder Group has given or agreed to give any payment or benefit to any current officers of Alloggio or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

9.4 What are the Bidder's intentions for Alloggio?

a. General

This Section 9.4 sets out the current intentions of the Bidder with respect to Alloggio in relation to the:

- corporate structure;
- removal of Alloggio from ASX;
- Alloggio Board of directors;
- constituent documents of Alloggio;
- employees of Alloggio; and
- business continuity and operations of Alloggio,

assuming Bidder acquires the Scheme Shares as a result of implementation of the Scheme.

These intentions are based on the facts and information concerning Alloggio (including certain non-public information made available by Alloggio to the Bidder during due diligence after entering into the Scheme Implementation Deed) and the general business environment that are known to the Bidder at the time of preparation of this Scheme Booklet.

If the Scheme is implemented, the Bidder intends to undertake a detailed review of Alloggio's operations covering strategic, financial and commercial operating matters. Final decisions about the future operating plan and management organisation for Alloggio will be made following the completion of this review and will be based on the facts and circumstances at the relevant time.

Accordingly, the statements set out in this Section 9.4 are statements of current intention only and may change as new information becomes available or circumstances change. For completeness, the intentions of Next Capital, Bidder Nominee and Bidder HoldCo are the same.

b. Corporate structure

If the Scheme is implemented, Bidder Nominee will become the holder of all of the Scheme Shares. Bidder HoldCo is the holding company of Bidder Nominee, which is a wholly owned subsidiary of the Next Capital Fund.

Immediately following implementation of the Scheme, the ownership of Bidder HoldCo Shares will be as set out in Section 9.1(c).

c. Removal from ASX

If the Scheme is implemented, it is intended that quotation of ALO Shares on the ASX will be terminated and Alloggio will be removed from the official list of the ASX on or around the Business Day immediately following the Implementation Date.

d. Board of Directors

If the Scheme is implemented, the board of directors of Alloggio and each of its subsidiaries will be replaced with effect on and from the Implementation Date. The new board of directors of Alloggio is intended to be Patrick Elliott, James Murphy, William Creedon and Karen Howard.

If the Scheme is implemented, William Creedon and Karen Howard will be appointed to the boards of Bidder Nominee and Bidder HoldCo.

e. Constituent Documents

The Bidder intends to replace Alloggio's constitution following implementation of the Scheme with a constitution on terms which are typical for a proprietary company limited by shares. This is consistent with the intention that ALO Shares will no longer be publicly listed on the ASX and Alloggio will be converted into a proprietary company limited by shares following implementation of the Scheme.

f. Employees

The Bidder considers employees of Alloggio to be critical to the future success of the business. Following implementation of the Scheme, the Bidder will look to ensure that Alloggio has the required mix and level of employees and skills to deliver on the business's growth aspirations, which may include making additional hires into the business.

g. Business continuity and operations

Except for the changes set out in this Section 9.4, following Implementation, the Bidder intends, based on the information currently known to it:

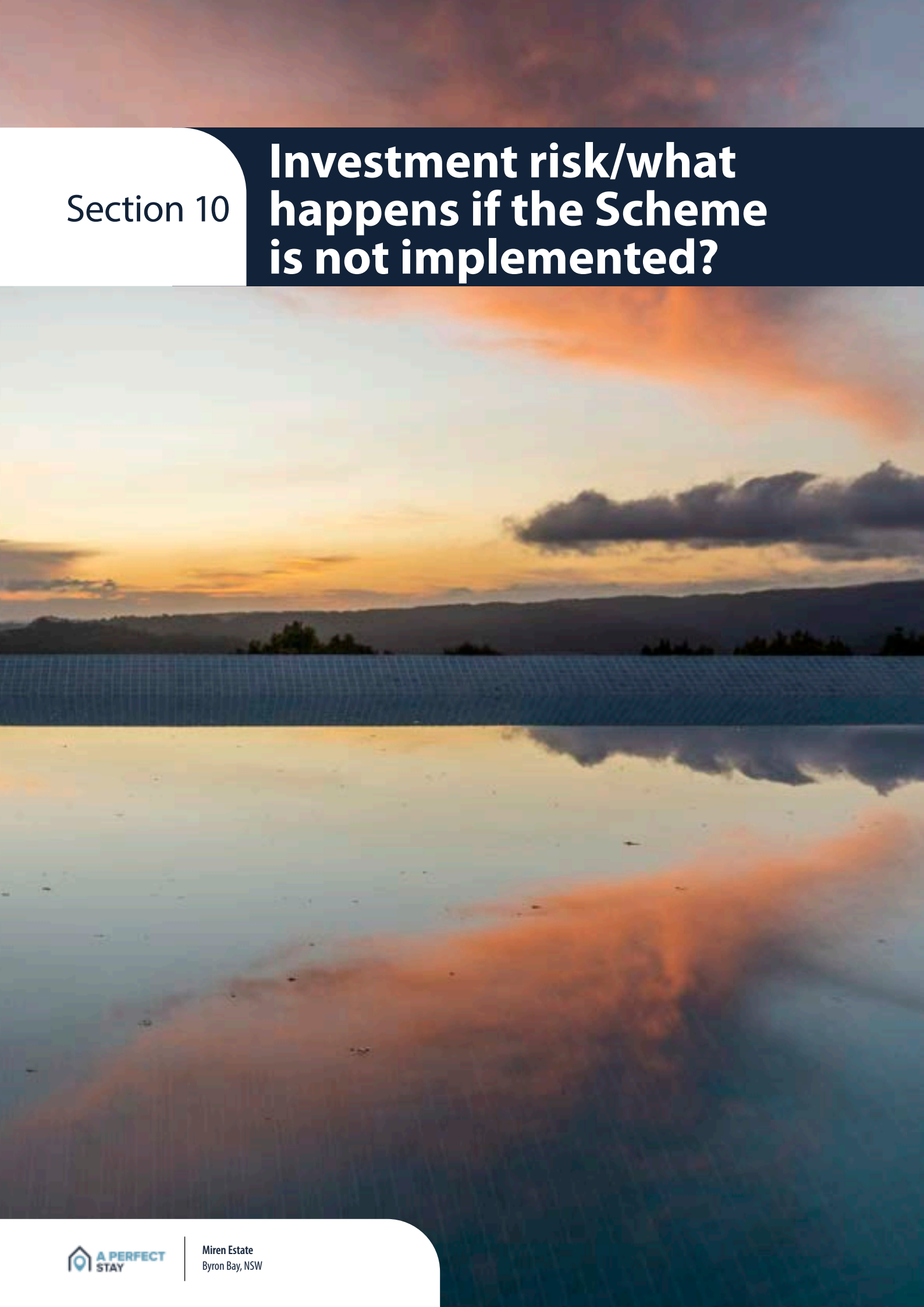
- to continue the business of Alloggio substantially in its current form; and
- not make any major changes to the business of Alloggio or the deployment of Alloggio's assets.

9.5 No other material information

Other than as disclosed in this Section 9, there is no material information regarding the Bidder, or its intentions regarding Alloggio, that is material to the making of a decision by an Alloggio Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of the Bidder as at the date of this Scheme Booklet that has not been previously disclosed to Alloggio Shareholders.

Section 10

Investment risk/what happens if the Scheme is not implemented?



10.1 Introduction

The Scheme presents a number of potential risks that Alloggio Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

This Section outlines some of the:

- risk factors relating to the business and operations of Alloggio, including your current investment in ALO Shares (see Sections 10.2 and 10.3); and
- risks factors which may prevent the Scheme from becoming Effective (see Section 10.3(b)).

If the Scheme is implemented, the risks in Sections 10.2 and 10.3 will not apply. If the Scheme is not implemented, ALO Shares will remain quoted on ASX and all Alloggio Shareholders will continue to be subject to the risks in Sections 10.2 and 10.3.

The outline of risks in this Section 10 is a summary only and should not be considered exhaustive. This Section 10 does not purport to list every risk that may be associated with an investment in Alloggio now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 10 may be partially or completely outside the control of Alloggio and Bidder or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Alloggio Shareholders. You should carefully consider the risk factors discussed in this Section 10, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

10.2 General investment risk

If the Scheme does not become Effective ALO Shares and future distributions made to Alloggio Shareholders will be influenced by a number of macroeconomic factors including:

- changes in investor sentiment and overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation interest rates, exchange rates, commodity prices, employment levels,
- wage rates, property markets including rising building costs, house prices and residential supply and demand, population growth, retail sales and consumer demand;
- the ongoing global impact of the COVID-19 pandemic, and the continuously developing advice and responses from health and regulatory authorities;
- changes in government fiscal monetary and regulatory policies, including foreign investment and immigration;
- the impact of rising rates of inflation globally;
- natural disasters and catastrophes, whether on a global, regional or local scale; and
- accounting standards which affect the financial performance and position reported by Alloggio.

10.3 Risk factors relating to the business and operations of Alloggio

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which Alloggio operates, which could materially and adversely affect the future operating and financial performance of Alloggio.

Many of these risks are currently relevant to Alloggio Shareholders and will continue to be relevant to Alloggio Shareholders if the Scheme does not become Effective and you retain your current investment in Alloggio.

a. Alloggio share price volatility

If the Scheme does not become Effective ALO Shares will remain quoted on ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions.

If the Scheme does not become Effective the price at which ALO Shares trade is likely to fall.

b. Acquisitions, expansions or growth initiatives by Alloggio may not be successful

The future growth in Alloggio's revenue is in part dependent on Alloggio acquiring rental rolls to include into its holiday home and hotels portfolio. There is no guarantee that Alloggio will be able to execute current or future asset acquisitions. To the extent that future asset acquisitions are not successfully executed or integrated with Alloggio's existing portfolios, or do not perform in accordance with the business case for the acquisition, the financial performance of Alloggio could be materially adversely affected.

There is also a risk that Alloggio will be unable to identify future acquisition opportunities that meet its acquisition criteria, or if such acquisition opportunities are identified, that they can be acquired on appropriate terms, thereby potentially limiting the growth of Alloggio property management business.

c. Debt and funding for future acquisitions

There is a risk Alloggio may become unable to repay its current or future debt facilities with third party financiers in accordance with the terms of those facilities. Further, if the Company fails to comply with a condition of these facilities and does not remedy the breach, a financier may take action to enforce recovery of the debt against the Company and its assets. Such action would have a significant negative effect on the Company's business, financial position and prospects.

Alloggio may seek to exploit opportunities in its market that will require it to raise additional capital from equity or debt sources. There can be no assurance that Alloggio will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

d. Access to capital

Alloggio relies on access to debt and equity financing and may in the future require additional debt or equity capital to fund growth strategies including for acquisition opportunity that may arise. The ability to secure financing or financing on acceptable terms, may be materially adversely affected by volatility in financial opportunity markets, either globally or affecting a particular geographic region, industry or economic sector, or by a downgrade in Alloggio's credit assessment. For these or other reasons, financing may be unavailable or the cost of financing may be significantly increased. Such inability to obtain, or an increase to the costs of obtaining, financing could materially adversely affect Alloggio's operations or financial performance.

e. Changes to macro-economic conditions

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of Alloggio's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, taxation rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending, travel flows and employment rates, are outside the control of the Company, the management team and the Board of Directors, and may have an adverse effect on the financial performance and/or financial position of Alloggio.

f. Performance of technology

Alloggio operates an online platform and presence and is heavily reliant on information technology to make the Alloggio platform available to users. Alloggio's platform uses software created by Alloggio and software licensed from third parties. Alloggio's business also depends on the performance and reliability of internet, mobile and other infrastructure, which is outside of Alloggio's control.

There is a risk that Alloggio or third-party suppliers may fail to adequately maintain their information technology systems, which may cause disruptions to Alloggio's platform. There is also a risk that systems failures or delays, corruption of databases or other electronic information, power failures, issues with upgrades, technical malfunctions and other disruptions to information technology systems used by Alloggio, its third-party suppliers or its users may cause disruptions to Alloggio's platform or adversely affect user experience on the platform. This may adversely affect Alloggio's ability to attract and retain users to its platform. This may have a material adverse impact on Alloggio's reputation, financial performance and growth prospects, particularly if the interruptions continue for a prolonged period of time.

g. Data breaches and cybersecurity

Alloggio collects a wide range of personal, financial and service usage data and other confidential information from users in the ordinary course of its business, such as contact details and addresses, and stores that data electronically. Alloggio is also reliant on third party suppliers who may collect information on Alloggio's users, such as payment details. As an online business, Alloggio is subject to cyber attacks. Alloggio and, as far as Alloggio is aware, those third-party suppliers have systems in place to maintain the confidentiality and security of that data and detect and prevent unauthorised access to, or disclosure of, that data. There can be no guarantee that the systems will completely protect against data breaches and other data security incidents. This may be due to Alloggio or its suppliers not adequately maintaining or securing their systems, or their systems being subject to cyberattacks, viruses, data theft, ransomware attacks, phishing attacks or hacking. As the techniques used to hack or otherwise obtain unauthorised access to data and information frequently change, even if Alloggio and its suppliers have systems in place to detect such access attempts, their systems may be unable to anticipate and prevent any new hacking techniques. If any data breaches or data security incidents occur, and Alloggio's data security infrastructure is unable to reduce the impact of such attacks, this could result in a loss of information and system integrity, misappropriation of accessed data including for fraudulent purposes or significant disruptions to Alloggio's marketplace, all of which may reduce demand for Alloggio's services by users. It may also cause Alloggio to breach privacy and other laws, which may expose Alloggio to regulatory prosecution or substantial financial penalties. Alloggio may also incur significant costs to remedy any loss of data. This may have a material adverse impact on Alloggio's reputation and financial position.

h. Regulatory

The STRA market is an increasingly regulated environment and there is the risk of planning law changes and restrictions being imposed on the use of properties for short-term letting. Alloggio is also required to ensure it complies with existing laws and regulation including newly introduced codes of conduct in the course of managing its mid-market hotels and holiday letting properties. Alloggio's operations require it to hold appropriate real estate licences and operate trust accounts in the states in which it operates. This requires the Company to employ and retain appropriately qualified and skilled staff to oversee the day to day operations of the business. A failure to do so may give rise to a loss of the licences it needs to carry on its business. If appropriate alternate employees are not recruited in a timely manner, Alloggio could lose its right to manage properties which would have a substantial impact on the business and its financial performance.

i. New technologies

Alloggio's success in the future may depend on its ability to continue to identify and deploy the most appropriate new technologies and features in its platform. There is a risk that Alloggio may fail to update its platform to adopt new technologies, or that other businesses may develop or adopt new technologies which give them a competitive advantage over Alloggio's platform. This may render Alloggio's platform less competitive. There is a risk that Alloggio's competitors may be able to replicate existing and new technologies used by Alloggio in its platform at a cheaper cost to users, which may also render Alloggio's platform less competitive. Alloggio may need to invest significant time and costs into updating its technology to remain competitive, which may have a material adverse impact on its financial performance. Even if Alloggio does adopt new technologies or launch new features on its platform, there is a risk that users may not perceive any value in those new technologies or features, which may reduce demand for Alloggio's platform. This may have a material adverse impact on Alloggio's financial performance and prospects.

j. Changes to laws and regulations

The Company operates in a sector where the laws and regulations around its operations are evolving. There is a risk that new laws or regulations may be enacted, or existing laws and regulations may be amended in such a way that impose obligations on the Company. For example, the Company is subject to privacy, data, insurance and taxation laws and regulations, which are also evolving. The Company is also subject to industry specific regulations which affect STRA providers. If any laws, regulations or licensing requirements are adopted which are more stringent than the laws, regulations and licencing requirements currently applying to the Company's operations, the Company may need to invest significant time and costs into complying with those laws including updating its form of management agreement for use with property owners and terms and conditions for both property owners and travellers. If Alloggio is found to be non-compliant with any such laws, Alloggio may also be subject to prosecution by regulators including loss of its real estate licences or be required to pay penalties which may be significant. Depending on the significance of the changes to the laws, regulations and licencing requirements applying to the Company, the Company may even need to fundamentally change its business model. This may have a material adverse impact on the Company's ongoing operations, financial performance and growth prospects.

k. Competition

The STRA market has had and will continue to see entry of new competitors that may markedly increase competitive pressures on Alloggio. The Company recognises the potential risk that existing competitors or new entrants to the market may increase the competitive landscape and have an adverse impact on the financial performance of the Company which in turn, would erode the Company's revenue and market share. Participants in the hospitality sector may seek to imitate Alloggio's strategies and/or may attempt to take market share from Alloggio or may develop alternative products or have more effective customer engagement which reduce Alloggio's competitiveness.

Alloggio's customers have a range of hotel and accommodation alternatives in the Australian market and the emergence of alternative products or new competitors could affect Alloggio's ability to attract or retain customers and impact the growth of Alloggio's business.

Existing competitors and new entrants in the market both domestically and overseas may also engage in strategic partnerships or acquisitions, develop superior technology, increase marketing activity and/or offer competitive pricing. There is a risk that the Company may be unable to respond to such competition and this may reduce demand for the Company's service which in turn, may have a material adverse effect on its revenue, profit margins, operations, financial position and growth prospects.

l. Reputational risk

There is a risk that the Company's reputation may be adversely impacted by sub-standard service to property owners, negative user experiences in the platform, traveller complaints, travellers causing damage to property (hotel rooms or managed properties) or other adverse events which involve the Company or its platform. Any negative impact on the Company's reputation may have a material adverse impact on Alloggio's relationship with property owners, hotel landlords and prospective vendors of holiday letting businesses from who Alloggio may wish to purchase property management rights.

There is also the risk that travellers may use hotel rooms, managed properties or the Company's platform to engage in criminal, antisocial or other dangerous activities which result in injuries, property damage or other liabilities. If this occurs, the Company may receive negative publicity which may have an adverse impact on its brand and reputation. The Company may be subject to claims for liabilities based on such incidents, injuries and damages caused by users while staying at a hotel or property managed by Alloggio. The Company may incur significant costs in investigating and defending any such liability claims. This may have a material adverse impact on the Company's reputation, financial position and prospects.

m. Marketing and distribution channels

Where Alloggio is fulfilling the accommodation orders from OTAs it has a very low cost of customer acquisition. The cost of customer acquisition by the OTAs is borne by the individual OTAs. There is a risk that that may change.

There is a risk that Alloggio's own marketing strategy for Winning Holidays may become more expensive as a result of increased competition bidding higher prices for accommodation providers and/or digital media. Alloggio's direct advertising and direct marketing channels may also become less effective if, for instance, mass-marketing becomes less effective or there are changes to the algorithms or terms of services for search engines (like Google, Airbnb), which may cause Alloggio to be ranked lower or excluded from search results.

Alternatively, competition for accommodation provider leads could see a higher cost of customer acquisition and/or a lower margin on rental revenue. This could lead to a decline in the profitability of Alloggio in providing accommodation to their customers.

As a result, Alloggio may have to turn to more expensive forms of advertising and marketing in order to effectively communicate with and attract customers and may be unable to grow at the expected rate of profitability which would have a material adverse effect on the Company's ability to generate customer volume, achieve profitable growth and ultimately deliver shareholder value.

n. Reliance on key personnel and contractors

The successful operation of Alloggio's business depends to a significant degree on its existing key personnel and contractors, and its ability to attract and retain experienced personnel. The Company must recruit and retain licenced real estate agents, property managers, IT personnel and other staff with the skills and qualifications to operate, maintain and develop Alloggio's business operations. A loss of key employees, under-resourcing, any other event which impacts a contractors ability to provide services, and the inability to recruit suitable replacements or additional staff within a reasonable time period, may cause disruptions to the platform and growth initiatives, and may adversely affect the Company's operations and financial performance.

o. Third party technology and services

Alloggio's platform is cloud-based and was developed using a combination of internally developed software and technologies and third-party software. Any change or interruption to Alloggio's key third party software and infrastructure provider relationships, or reduced accuracy or availability of their services may disrupt Alloggio's business operations. While outside of Alloggio's influence or control, such disruption could result in operational or business delays, damage to reputation and loss of holiday property owners and/or travellers for Alloggio. Alloggio's operations would be materially impacted if existing third-party suppliers no longer made their software and technologies available to Alloggio or materially increased the price of the use of their software or technologies. As a consequence, Alloggio may face an increased cost of doing business and a disruption in its ability to provide an end-to-end holiday property management solution and mid-market hotel management. In such circumstances, Alloggio may be required to undertake additional development tasks internally or find new suppliers of such software and technologies who may offer less favourable terms. Alloggio may not have sufficient time to procure a replacement provider in a timely manner and at an equivalent cost. This would adversely impact its business, financial performance and operations and Alloggio may not be entitled to recover losses that it may suffer as result of such disruptions or failures by the third-party suppliers of technology or software.

p. Intellectual property rights

The Company places significant weight on the value of its intellectual property and know-how to maintain its competitive position in the market. The Company's success may depend on its ability to obtain trademark protection for the names or symbols under which it markets its products, or to obtain copyright protection of its proprietary technologies and other innovations. There is a risk that the Company may fail or be unable to protect its intellectual property rights, which may have a significant adverse effect on the Company and its prospects.

It is also possible that the Company's know-how may be compromised by an employee or a third party without authorisation. While the Company does impose confidentiality and restraint obligations on its employees, there can be no guarantee that these will be sufficient to prevent an employee from competing with the Company or using its intellectual property rights. If Alloggio's intellectual property is used to compete with the Company's business,

this may have a material adverse impact on its competitive position, branding, financial performance and growth prospects. Even if the Company seeks to enforce its intellectual property rights against third parties, these attempts may be unsuccessful and the Company may expend significant time and costs on such enforcement actions. If the Company is unable to protect its intellectual property rights, this could affect its ability to commercialise those intellectual property rights and have a material adverse impact on its branding and reputation.

Further, there is a risk that the Company's operations, platform and services may infringe the intellectual property rights of third parties. If any claim or litigation is brought against the Company which alleges infringement of another party's intellectual property rights, this could result in the Company (amongst other things) being subject to liability for damages, and losing the right to use or being required to pay a licence fee to use the intellectual property. This may have an adverse effect on the Company's financial performance and its ability to conduct its business operations.

q. Failure to effectively manage growth

The Company has experienced and expects to continue to experience rapid growth, which has placed, and may continue to place, significant demands on its management, operational and financial resources. As the Company grows, it may encounter capacity constraint issues and more resources will be required to manage growth initiatives. If the Company fails to successfully manage its anticipated growth and change, the quality of its service offering may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract holiday properties.

r. Litigation and disputes

Alloggio may be subject to litigation and other claims and disputes in the course of its business, including litigation with owners and travellers, employment disputes, contractual disputes, IP disputes, indemnity claims or occupational health and safety claims. There is a risk that unforeseen issues or events may adversely impact Alloggio's reputation, whether founded or not. The strength of Alloggio's reputation is an important part of retaining and growing its customer bases and, accordingly, an event that has a negative impact on Alloggio's brand could have a material adverse impact on the demand for Alloggio's products. This may adversely impact Alloggio's business, financial condition, operating performance, and/or growth.

As at the Last Practicable Date, the Alloggio Directors are not aware of any current, impending or threatened litigation that may have a material impact on the Alloggio Group.

s. Leases

The mid-market hotel properties are operated on land leased from third parties. Each lease or proposed lease requires Alloggio to comply with various obligations including the payment of rent, outgoings and other monies due. In the event of default by Alloggio under a lease, the landlord may terminate the lease if the default is not remedied.

There is also no guarantee that leases will be renewed at the end of their term. Termination or expiry (particularly of key operating sites) could have an adverse effect on Alloggio's profitability. A substantial change in rent under any of the property leases via market rent reviews on exercise of options or lease renewals that cannot be quickly recouped through fee increases or other efficiencies will have an impact on Alloggio's profitability.

t. Insurance

The Company maintains customary insurances against typical business risks, such as public liability insurance, directors and officers' liability, workers compensation and cyber insurance. It also maintains property damage insurance for the mid-market hotel and holiday letting accommodation it manages. There is a risk that the Company's insurance may not be adequate in coverage, may not insure all risks, may not be able to be claimed against in respect of losses or may not be renewed. This could have a material adverse impact on the Company's financial position and reputation. There is also a risk that claims brought under the Company's insurance policies could increase the premiums payable by the Company going forward, which may have a material adverse impact on the Company's financial position.

u. Suppliers and contractors

The Company's business utilises third party suppliers and contractors including (without limitation) for the provision of direct services to properties (such as cleaning, repairs and maintenance), IT and finance service providers and suppliers of merchant facilities. There is a risk that suppliers and/or contractors may become unable or unwilling to do business with the Company, or to renew contracts with the Company once they expire. There is no guarantee that the Company will maintain existing contracts or be able to renew contracts with suppliers on current terms, or at all. If the Company is unable to source alternative suppliers and/or contractors within a reasonable period of time and on reasonable terms, this may cause disruptions to the Company's platform and/or business while suitable replacements are sourced or cause the Company to incur substantial costs.

v. Seasonality and unseasonal weather

The volume of bookings made by travellers on the Company's platform is subject to seasonality and impact from unseasonal weather.

It is typical for there to be an increase in bookings on the platform over the Summer and Easter holidays where an event (such as a severe weather event or pandemic) impacts holiday makers in peak periods, the Company's revenue will be impacted and may not reach historical levels.

w. General economic conditions and interest rate risk

In light of recent global macroeconomic events, including the impact of COVID-19 and rising interest rates as a result of significant inflationary pressures, Australia could experience an economic recession which could have an impact on people choosing to spend money on travel and holidays, Alloggio's ability to invest sufficiently to develop, adopt and integrate the latest technologies into existing infrastructure, and to obtain finance to acquire further rent rolls. These economic disruptions may adversely impact Alloggio's earnings and assets, as well as the value of ALO Shares. Recent growth at Alloggio has been in an environment of low interest rates, significant Government stimulus initiatives and reducing personal tax rates.

x. COVID-19

COVID-19 has been a major community and economic concern and impact on business operations in Australia and globally. Alloggio's revenues were directly impacted by border closures and the imposition of lockdowns in many states and territories. There is a risk that future government or industry measures taken in response to COVID-19, will continue to restrict the ability of users of Alloggio's marketplace to provide or receive services through the marketplace and adversely affect Alloggio's business.

10.4 Risks in relation to the Scheme

a. Risks relating to implementing the Scheme

The Scheme is subject to various Conditions Precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These Conditions Precedent are outlined in Section 7 and set out in full in clause 3.1 of the Scheme Implementation Deed. The failure of a Condition Precedent to be satisfied or waived (if capable of waiver) may also give rise to a right of either Alloggio or Bidder to terminate the Scheme Implementation Deed.

The Conditions Precedent include approval by the Court, approval by Alloggio Shareholders, and FIRB Approval. There is the risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that Alloggio and Bidder (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the Alloggio Shareholder approval, Court approvals or FIRB Approval required for the Scheme to proceed may be delayed.

b. Implications for Alloggio and Alloggio Shareholders if Scheme is not implemented

If the Scheme does not become Effective and is not implemented, Alloggio Shareholders will not receive the Cash Scheme Consideration or Scrip Scheme Consideration (as applicable) and Alloggio will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on ASX.

Unless Alloggio Shareholders choose to sell their ALO Shares on ASX, Alloggio Shareholders will continue to hold ALO Shares and be exposed to both the risks (including those set out in this Section 10) and potential future benefits in retaining exposure to Alloggio's business and assets.

The Alloggio share price will also remain subject to market volatility and is likely to fall in absence of a Superior Proposal.

c. Tax consequences for Scheme Shareholders

If the Scheme becomes Effective there will be tax consequences for the Scheme Shareholders which may include tax being payable.

For further detail regarding general Australian tax consequences of the Scheme, refer to Section 11 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Alloggio Shareholders should seek professional taxation advice in this regard.

Section 11

Taxation implications for Scheme Shareholders

NOOSA HOLIDAY RENTALS

Key Court,
Noosa, QLD

11.1 Introduction

The following is a summary of the Australian income tax implications for Scheme Shareholders of their disposal of ALO Shares under the Scheme.

This summary is general in nature and it is not intended to be a complete analysis of the tax consequences arising from the Scheme. Scheme Shareholders are advised to seek professional tax advice in relation to their circumstances.

This summary is based on the provisions of the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**) and the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) as at the date of this Scheme Booklet. The laws are subject to change, as is their interpretation by the courts and the tax authorities. The information outlined below:

a. does not consider the taxation implications in jurisdictions outside of Australia; and

b. should not be relied upon by a Scheme Shareholder in deciding on the Australian tax consequences arising from the disposal of any ALO Shares under the Scheme.

This tax summary only applies to Scheme Shareholders who hold their shares on capital account for tax purposes. This summary will not apply to Scheme Shareholders who:

c. hold their ALO Shares on income account (such as share trading entities or entities who acquired their ALO Shares for the purposes of resale at a profit) or as trading stock;

d. hold their ALO Shares under an employee option plan offered by Alloggio;

e. may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies, dealers in securities or shareholders who are not an Australian resident for tax purposes and who currently hold, or have held, at any time ALO Shares through a permanent establishment in Australia, who are temporary residents of Australia or who have changed their tax residency while holding their ALO Shares;

f. have a functional currency for Australian tax purposes other than an Australian functional currency; and/or

g. are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their ALO Shares.

11.2 Australian tax resident Scheme Shareholders

This section applies to Scheme Shareholders who are taken to be Australian residents for tax purposes.

a. Disposal of ALO Shares

The Scheme Shareholders will have a capital gains tax (CGT) event when they dispose of their ALO Shares under the Scheme on the Implementation Date.

Broadly, a Scheme Shareholder will:

i. make a capital gain if the cash received by the Scheme Shareholder from the disposal of their ALO Shares exceeds the cost of their ALO Shares; or

ii. make a capital loss if the cash received by the Scheme Shareholder from the disposal of their ALO Shares is less than the cost of their ALO Shares.

A capital loss may be used to offset a capital gain made in the same income year or may be carried forward to offset a capital gain made in future income years. Capital losses cannot reduce or offset other income or non-capital gains.

Any resulting net capital gain after the application of any available capital losses and any available CGT discount (refer below) should be included in a Scheme Shareholder's assessable income and subject to Australian income tax at their applicable tax rate.

The cost of a Scheme Shareholder's ALO Shares will depend on that Scheme Shareholder's specific circumstances. However, the cost base of the ALO Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal.

b. CGT discount

If a Scheme Shareholder is an individual, complying superannuation entity or trust and acquired their ALO Shares at least 12 months before the Implementation Date, the amount of the capital gain (after being reduced by current year capital losses and prior year capital losses, if any) may be reduced by the relevant CGT discount percentage. The CGT discount percentage for individuals and trusts is 50% and the CGT discount percentage for complying superannuation entities is 33⅓%.

No CGT discount is available for Scheme Shareholders that are companies.

11.3 Stamp Duty

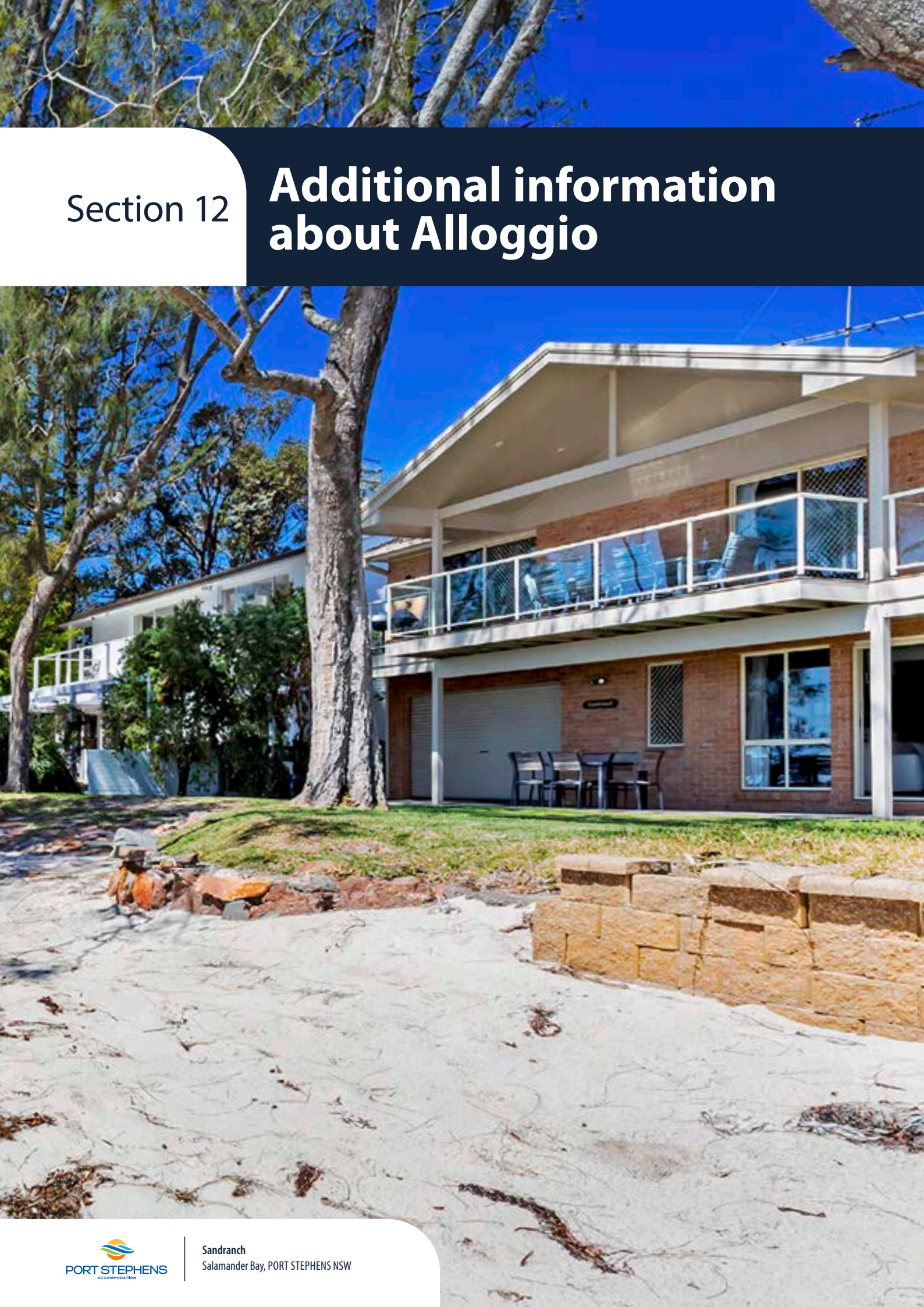
If the Scheme is implemented, no stamp duty should be payable by Scheme Shareholders in relation to the transfer of their Shares under the Scheme.

11.4 GST

If the Scheme is implemented, no GST should be payable by Scheme Shareholders in relation to the disposal of their Shares under the Scheme.

Section 12

Additional information about Alloggio



PORT STEPHENS ACCOMMODATION

Sandranch
Salamander Bay, PORT STEPHENS NSW

12.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the *Corporations Regulations 2001* (Cth) to be included in this Scheme Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that the Alloggio Directors consider material to a decision on how to vote on the resolution in respect of the Scheme.

12.2 Suspension of trading of ALO Shares

If the Court approves the Scheme, Alloggio will immediately notify ASX. It is expected that suspension of trading on ASX in ALO Shares will occur at the close of trading on ASX on the Effective Date.

12.3 Removal of Alloggio from the official list

If the Court approves the Scheme, Alloggio will apply to be removed from ASX's official list on or around the Business Day immediately following the Implementation Date unless otherwise agreed between Alloggio and Bidder in writing.

12.4 No relevant restrictions in the Constitution of Alloggio

There are no relevant restrictions on the right to transfer ALO Shares in Alloggio's constitution.

12.5 Payment instructions

Direct credit instructions can be given or updated online with the Alloggio Registry at https://investor.automic.com.au, or by completing the direct credit form.

12.6 Alloggio Directors' interests in ALO Shares and Options

As at the Last Practicable Date, the Alloggio Directors have the following interests in securities of Alloggio:

Director	Position	Independent Board Committee	ALO Shares held by or on behalf of the Alloggio Director	Options held by or on behalf of the Alloggio Director
John Murphy	Independent Non-Executive Chair	✓	4,721,429	2,000,000
William Creedon	Chief Executive Officer	✗	46,929,510	3,000,000
Matthew Keen	Independent Non-Executive Director	✓	150,000	1,000,000
Karen Howard	Non-Executive Director	✗	10,941,290	1,000,000
Christopher Sneddon	Non-Executive Director	✓	6,678,700	1,000,000

Alloggio Directors, or entities controlled by them, who hold ALO Shares will be entitled to vote at the General Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders. However, William Creedon and Karen Howard as Founding Shareholders are entitled to Scrip Scheme Consideration which is not being offered to other Scheme Shareholders, they are required to vote in a separate class.

Each Alloggio Director intends to vote, or procure the voting of, all ALO Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of General ALO Shareholders.

Please refer to Section 7.2 for details regarding the treatment of Director Options if the Scheme becomes Effective.

12.7 Interests of ALO Directors in Director Options

The table below outlines the Director Options issued to each ALO Director in accordance with Alloggio's existing incentive arrangements and the maximum amount that he or she will receive if the Scheme becomes Effective. No ALO Director holds any Employee Options. The proposed treatment of all ALO Equity Incentives is discussed in Section 7.2.

Director	Position	Director Options held by or on behalf of ALO Director	Total amount to be received for Director Options if Scheme becomes Effective
John Murphy	Independent Non-Executive Chair	2,000,000	$0.00
William Creedon	Chief Executive Officer	3,000,000	$0.00
Matthew Keen	Independent Non-Executive Director	1,000,000	$0.00
Karen Howard	Non-Executive Director	1,000,000	$0.00
Christopher Sneddon	Non-Executive Director	1,000,000	$0.00

12.8 ALO Directors relationship with Bidder Group

On or around 25 February 2023, John Murphy, Chair of the Alloggio Board and member of the Independent Board Committee, disclosed to the Alloggio Board that his son, James Murphy, is a director of Next Capital, Bidder Nominee and Bidder HoldCo. John Murphy has not participated in negotiations between Alloggio and Bidder. John's recommendation to vote in favour of the Scheme should be considered in this context.

12.9 Deeds of indemnity, insurance and access

Alloggio Group has entered into deeds of indemnity, insurance and access with the directors and various executive officers of the Alloggio Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each Alloggio Group Member to indemnify each of its directors and executive officers against any liability incurred by such persons in their capacity as a director or executive officer of the company to any person other than a Alloggio Group Member.

Alloggio Group also pays a premium in respect of a directors and officers insurance policy for the benefit of the directors and executive officers of Alloggio Group. If the Scheme is implemented, the Alloggio Group may enter into an arrangement to provide insurance coverage for all current Alloggio Directors and officers for seven years from the Implementation Date. As at the Last Practicable Date, Alloggio Group expects that the premium for entry into such run-off arrangement will be approximately $925,000 including Stamp Duty and GST. The entry into such arrangements by Alloggio is permitted by clause 7.3 of the Scheme Implementation Deed. In addition, under clause 7.3(a)(iii) of the Scheme Implementation Deed, the Bidder must ensure that directors' and officers run-off insurance cover for such directors and executive officers is maintained for a period of seven years from the retirement date of each director and executive officer.

12.10 Agreements and arrangements entered into by Alloggio Directors in connection with or conditional upon the Scheme

None of the Alloggio Directors, nor any of their Associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any one or more of Next Capital, Bidder Nominee, Bidder HoldCo or any of their respective Related Bodies Corporate, in connection with, or conditional upon, the outcome of the Scheme.

If the Scheme becomes Effective and as contemplated in the Scheme Implementation Deed, the Founding Shareholders will enter into the SHD. Refer to Section 7.1(a) and clause 3.1(n) of the Scheme Implementation Deed.

12.11 Interests of Alloggio Directors in contracts with Bidder Group

None of the Alloggio Directors, nor any of their Associates, have:

- any Relevant Interest in any marketable securities in Bidder or any Bidder Group Member; or
- entered into, or otherwise have any interest in any agreement, arrangement or contract with any one or more of Bidder or any of their respective Related Bodies Corporate.

12.12 Disclosure of fees and other benefits

a. Each of the persons named in this Section as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging.

b. The Independent Board Committee has resolved that the following additional committee fees and remuneration will be paid to ALO Directors in recognition of the additional time and work to be carried out in connection with the preparation of this Scheme Booklet and otherwise in respect of the Scheme.

Director	Position	Additional fee
Matthew Keen	Independent Non-Executive Director and Chair of Independent Board Committee	$85,000
John Murphy	Independent Non-Executive Chair	$37,500
Karen Howard	Non-Executive Director	$37,500
Christopher Sneddon	Non-Executive Director	$27,500

This remuneration is payable regardless of the outcome of the Scheme Meetings and whether the Scheme becomes effective and for this reason does not, in the opinion of the ALO Directors, have the potential to influence the recommendation of any ALO Director set out in this Scheme Booklet.

c. If the Scheme is implemented, Alloggio expects to pay an aggregate amount of approximately $725,000 (exclusive of GST) in transaction costs in connection with the Scheme. This includes advisory fees, the Independent Expert fees, registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meetings. Of this amount approximately $725,000 (exclusive of GST) is expected to be payable by Alloggio irrespective of whether or not the Scheme is implemented (excluding any Break Fee that may be payable). In addition, Alloggio expects to incur a D&O insurance cost of $925,000 including Stamp Duty and GST as set out in Section 12.9. These amounts do not include the transaction costs that may be incurred by Bidder in relation to the Scheme.

12.13 Alloggio Directors' intentions regarding the business, assets and employees of Alloggio

If the Scheme is approved and implemented, the existing Alloggio Board will be reconstituted in accordance with the instructions of the Bidder as the only shareholder in Alloggio. Accordingly, it is not possible for your Alloggio Directors to provide a statement of their intentions regarding:

- the continuation of the business of Alloggio or how Alloggio's existing business will be conducted after the Scheme is implemented;
- any major changes to be made to the business of Alloggio, including any redeployment of the fixed assets of Alloggio; or
- the future employment of the present employees of Alloggio, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, the Bidder will have 100% ownership of Alloggio issued shares and will control Alloggio.

Please refer to Section 9 for a statement of the Bidder Group's intentions for Alloggio if the Scheme becomes Effective.

12.14 Consents

a. The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
   - Travis Partners as legal adviser to Alloggio;
   - Actuity as financial adviser to Alloggio;
   - Automic Group as the share registry to Alloggio.

b. BDO has consented to the inclusion of the Independent Expert's Report in Appendix C to this Scheme Booklet and has consented to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.

c. Maxim Advisors has consented to the inclusion of the Taxation Report in Section 11 and to the references to the Taxation Report or the information included in the Taxation Report in this Scheme Booklet being made in the form and context in which each such references are included.

d. Each person named in this Section 12.14:
   - has not authorised or caused the issue of this Scheme Booklet;
   - does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 12.14; and
   - to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of the party as specified in this Section 12.14.

e. Bidder and the Bidder Group have given, and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent, to the inclusion of the Bidder Information in this Scheme Booklet and the references to the Bidder Information in the form and context in which they are included in the Scheme Booklet.

12.15 Supplementary information

Alloggio will issue a supplementary document if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date:

- a material statement in this Scheme Booklet that is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter that has arisen and it would have been required to be included in this Scheme Booklet if known at the date of lodgement with ASIC.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Alloggio may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently placed newspaper which is circulated throughout Australia;
- posting the supplementary document to Alloggio Shareholders at their address shown in the Alloggio Share Register; and/or
- posting a statement on Alloggio's website at https://www.alloggio.com.au/,

as Alloggio, in its absolute discretion, considers appropriate.

12.16 Regulatory relief

a. ASIC relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the ALO Directors, the financial position of Alloggio has materially changed since the date of the last balance sheet laid before Alloggio in general meeting (being its financial statements for the financial year ended 30 June 2022) or sent to ALO Shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change.

ASIC has granted Alloggio relief from this requirement so that this Scheme Booklet only need to set out whether, within the knowledge of the ALO Directors, the financial position of Alloggio has materially changed since 31 December 2022 (being the last date of the period to which the financial statements for the half-year ended 31 December 2022 relate) and, if so, full particulars of any change. Alloggio will ensure that a copy of its financial report for the financial half-year ended 31 December 2022 is made available, free of charge, to any ALO Shareholder who requests a copy before the Scheme is approved by order of the Court. ALO Shareholders can also access a copy of Alloggio's financial report for the financial half-year ended 31 December 2022 on the ASX website (www.asx.com.au) or on Alloggio's website at https://www.alloggio.com.au/.

b. ASX waiver

ASX has granted Alloggio a waiver of Listing Rule 6.23.2 to the extent necessary to permit the treatment of the ALO Employee Options as set out in Section 7.2.

12.17 Other material information

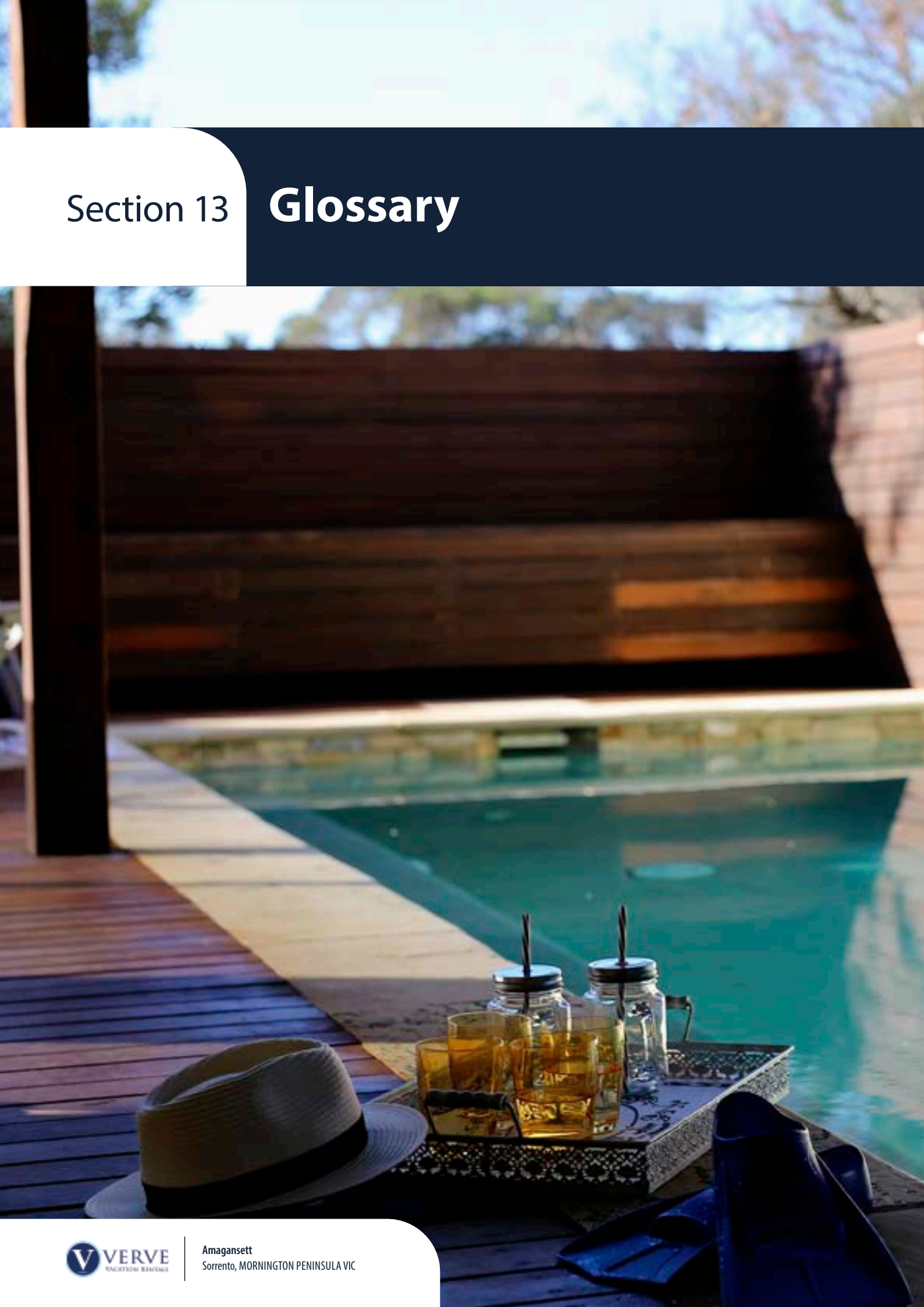
Otherwise than as contained or referred to in this Scheme Booklet, including in the Independent Expert's Report and the information that is contained in the attachments and appendices to this Scheme Booklet, there is no other information that is material to the making of a decision by a Alloggio Shareholder whether or not to vote in favour of the Scheme, being information that is known to any Independent Board Committee Member and which has not been previously disclosed to Alloggio Shareholders.

Alloggio is not aware of any material information about Alloggio that is material to a decision of a Alloggio Shareholder on how to vote in relation to the Scheme Resolution and which:

- has not been made available to the Independent Expert for the purpose of preparing the Independent Expert's Report;
- is not set out in this Scheme Booklet; or
- has not otherwise been made publicly available by Alloggio.

Section 13

Glossary



VERVE VACATION RENTALS

Amagansett
Sorrento, MORNINGTON PENINSULA VIC

13.1 Definitions

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Definition
1HFY23	means the half-year ended 31 December 2022.
Accounting Standards	a. the accounting standards required under the Corporations Act (including the Approved Accounting Standards issued by the Australian Accounting Standards Board) and other mandatory professional reporting requirements issued by the joint accounting bodies (including the Australian Accounting Standards issued either jointly by CPA Australia and the Institute of Chartered Accountants in Australia or by the Australian Accounting Research Foundation on behalf of CPA Australia and the Institute of Chartered Accountants in Australia); and b. if no accounting standard applies under the Corporations Act or other mandatory professional reporting requirements, the principles set out in the Australian Statements of Accounting Concepts.
ALO or **Alloggio**	means Alloggio Group Limited ACN 645 582 225.
ALO Board	means the board of Directors of ALO.
ALO Director	means any director of ALO comprising part of the ALO Board.
ALO Director Option	means an option for ALO Shares granted pursuant to the terms of the ALO Director Option Plan.
ALO Director Option Plan	means the 'Director Option Terms' adopted by the ALO Board on 18 October 2021.
ALO Employee Option	means an option for ALO Shares granted pursuant to the terms of the ALO Employee Option Plan.
ALO Employee Option Plan	means the 'Employee Share Option Plan' adopted by the ALO Board on 3 June 2022.
ALO Equity Incentives	has the meaning given in Section 7.2.
ALO Group	means ALO and each of its Subsidiaries, and a reference to an **ALO Group Member** refers to ALO or any of its Subsidiaries.
ALO Lead Manager Option	means an option for ALO Shares granted pursuant to the terms of the ALO Lead Manager Option Plan.
ALO Lead Manager Option Plan	means the 'Bell Potter Option Terms' adopted by the ALO Board on 18 October 2021.
ALO Material Adverse Change	has the meaning given to the term in clause 1.1 of the Scheme Implementation Deed.

Term	Definition
ALO Options	means the following options over ordinary shares in ALO issued by ALO: a. 2,000,000 options granted to John Murphy under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; b. 3,000,000 options granted to William Creedon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; c. 1,000,000 options granted to Karen Howard under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; d. 1,000,000 options granted to Christopher Sneddon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; e. 1,000,000 options granted to Matthew Keen under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; f. 2,700,000 options held by Bell Potter Nominees Limited ACN 088 899 601 ATF BB Nominees under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; g. 300,000 options held by On-Market Bookbuilds Pty Ltd ACN 140 632 024 under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; h. 1,000,000 options granted to Michael Potts under the ALO Employee Share Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; i. 1,000,000 options granted to Shaun Measday under the ALO Employee Option Plan with a vesting date of 25 November 2023 and expiry date of 25 November 2026; and j. any options granted Denis Morrissy and Matthew Neill under the ALO Employee Share Plan.
ALO Prescribed Occurrence	has the meaning given to the term in clause 1.1 of the Scheme Implementation Deed.
ALO Regulated Event	has the meaning given to the term in clause 1.1 of the Scheme Implementation Deed.
ALO Representation and Warranty	has the meaning given in Schedule 2 of the Scheme Implementation Deed.
ALO Share and **Alloggio Share**	means a fully paid ordinary share in ALO.
ALO Share Register	means the register of members of ALO maintained by or on behalf of ALO in accordance with section 168(1) of the Corporations Act.
ALO Share Registry	means Automic Pty Ltd ACN 152 260 814.
ALO Shareholder	means each person who is registered as the holder of an ALO Share in the ALO Share Register from time to time.
Alloggio Shareholder Information Line	means 1300 441 599 (within Australia) or +61 2 9068 1927 (outside Australia) on Business Days at any time between 9.00am and 5.00pm AEST (Sydney, Melbourne), Monday to Friday.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act.

Term	Definition
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ATO	means Australian Taxation Office.
BDO	means BDO Corporate Finance (East Coast) Pty Ltd ACN 050 038 170.
Bidder	means: a. Next Capital Pty Limited ACN 111 963 583 up to the date of the nomination under clause 4.3(a) of the Scheme Implementation Deed; and b. Bidder Nominee from the date of the nomination under clause 4.3(a) of the Scheme Implementation Deed.
Bidder Counterproposal	has the meaning given in Section 7.1(b).
Bidder Group	means Bidder and its Related Bodies Corporate, Bidder HoldCo and Bidder Nominee, and a reference to **a Bidder Group Member** refers to any one of them.
Bidder HoldCo	means ALO Holdco Pty Ltd ACN 668 550 418.
Bidder HoldCo Share	means a fully paid ordinary share in the Bidder HoldCo.
Bidder Information	means information regarding the Bidder Group provided by or on behalf of Next Capital to Alloggio in writing for inclusion in this Scheme Booklet, including: a. the entire content of Section 9; and b. any other information required under the *Corporations Act*, *Corporations Regulations* or *RG 60* to enable this Scheme Booklet to be prepared that the parties agree is 'Bidder Information' and that is identified in this Scheme Booklet as such.
Bidder Nominee	means ALO Bidco Pty Ltd ACN 668 552 430.
Bidder Representation and Warranty	has the meaning given in clause 1.1 of the Scheme Implementation Deed.
Break Fee	means $600,000.
Business Day	means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.
Cash Scheme Consideration	means an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders under clauses 5.1(b) and 5.3 of the Scheme.
CBA	means Commonwealth Bank of Australia ABN 48 123 123 124.
CBA Facility	means the facility agreement between ALO, Esplanade Holdings Pty Ltd ACN 645 543 880, Alloggio Hotels Pty Limited ACN 618 817 780 as trustee for Alloggio Hotels Unit Trust, Alloggio Pty Limited ACN 603 067 303, Agile Maintenance Pty Limited ACN 624 279 652, Esplanade Projects Pty Limited ACN 162 267 361 as trustee for Esplanade Projects Unit Trust, Alloggio Management Pty Limited ACN 618 814 556 as trustee for The Alloggio Management Unit Trust, Trova Pty Ltd ACN 620 923 480 as trustee for Trova Unit Trust and CBA, dated 11 March 2022.

Term	Definition
Competing Proposal	has the meaning given in clause 1.1 of the Scheme Implementation Deed.
Condition Precedent	means each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Corporations Act	means the *Corporations Act 2001* (Cth).
Corporations Regulations	means the *Corporations Regulations 2001* (Cth).
Court	means the Sydney Registry of the Federal Court of Australia.
D&O Deeds	has the meaning given in Section 12.9 of this Scheme Booklet.
Deed Poll	means a deed poll in the form of Appendix E to this Scheme Booklet, or such other form as agreed in writing between ALO and the Bidder under which Bidder (or Bidder Nominee) covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under the Scheme.
EBITDA	means, in respect of ALO Group, consolidated earnings before interest, tax, depreciation and amortisation, calculated in accordance with Accounting Standards. For the avoidance of doubt, this will exclude the impact of AASB 16.
Effective	means, when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	has the meaning given in clause 1.1 of the Scheme Implementation Deed.
End date	means 31 October 2023 or such other date as agreed in writing by ALO and the Bidder.
Exclusivity Period	means the period from and including 27 March 2023 to the earliest of: a. the date of termination of the Scheme Implementation Deed; b. the End Date; and c. the Implementation Date.
Fiduciary Exception	has the meaning given in Section 8.1(b) of this Scheme Booklet and clause 10.2 of the Scheme Implementation Deed.
Financial Adviser	means any financial adviser retained by an ALO Group Member in relation to the Transaction from time to time.
FIRB	means the Foreign Investment Review Board.
FIRB Approval	has the meaning given in clause 3.1(a) of the Scheme Implementation Deed.
First Court Date	means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the First Court Hearing.
Founders	means each of William Creedon and Karen Howard.

Term	Definition
Founding Shareholders	means: a. the Founders; b. any person directly or indirectly controlled by a Founder; and c. any other person to the extent they hold Scheme Shares on behalf of, or for the benefit of, a person in paragraph (a) or (b).
Founding Shareholders Scheme Meeting	means the meeting of Founding Shareholders to be convened by the Court under Section 411(1) of the Corporations Act in respect of the Founding Shareholders Scheme.
Founding Shareholders Scheme Resolution	means the resolution to approve the Scheme to be considered by Founding Shareholders at the Founding Shareholders Scheme Meeting.
FY23	means the financial year ended 30 June 2023.
General ALO Shareholders	means all ALO Shareholders, other than the Founding Shareholders.
General Scheme Meeting	means the meeting of General ALO Shareholders to be convened by the Court under Section 411(1) of the Corporations Act in respect of the General Scheme.
General Scheme Resolution	means the resolution to approve the Scheme to be considered by General ALO Shareholders at the General Scheme Meeting.
Government Agency	means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing or is ordered by the Court or required by ASX.
Independent Board Committee	means the Board of Alloggio excluding the Founders and a reference to an **Independent Board Committee Member** refers to any one of them.
Independent Expert	means BDO, the independent expert appointed by ALO to prepare the Independent Expert's Report.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme, setting out the Independent Expert's opinion whether or not the Scheme is in the best interests of ALO Shareholders and the reasons for holding that opinion.
Last Date for Proxy Forms	means 48 hours before commencement of the Scheme Meetings.
Listing Rules	means the official listing rules of ASX.
Last Practicable Date	means 3 July 2023, being the last practicable trading date prior to the date of this Scheme Booklet.
Major Shareholders	has the meaning given to it in Section 3.2(h).
Matching or Superior Proposal	has the meaning given in clause 10.4(b) of the Scheme Implementation Deed.

Term	Definition
Maxim Advisors	means Formax Advisors Pty Limited ACN 650 654 265.
Mixed Accommodation	means hotels, apartments, caravan and tourist parks.
Next Capital	means Next Capital Pty Limited ACN 111 963 583.
Non-public ALO Information	has the meaning given in clause 10.1(a)(iii) of the Scheme Implementation Deed.
Notifiable Proposal	has the meaning given in clause 10.3 of the Scheme Implementation Deed.
OTA	means online travel agent.
Overseas General ALO Shareholders	means General ALO Shareholders whose country of domicile is not Australia.
Proxy Form	means the proxy form for the Scheme Meetings, a sample of which accompanies this Scheme Booklet or as the context requires, any replacement or substitute proxy form provided by or on behalf of ALO.
Rollover Shares	means Bidder HoldCo Shares issued to the Founding Shareholders as Scrip Scheme Consideration for the transfer of ALO Shares to the Bidder in accordance with the Scheme.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Related Person	in respect of a party or each of their respective Related Bodies Corporate, means each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate.
Relevant Interest	has the meaning given in Sections 608 and 609 of the Corporations Act.
Requisite Majorities	means the requisite majorities for each Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are: a. in relation to the General Scheme Resolution: o at least 75% of the votes cast on the General Scheme Resolution at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and o a majority in number (more than 50%) of the General ALO Shareholders present and voting at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and b. in relation to the Founding Shareholders Scheme Resolution: o at least 75% of the votes cast on the Founding Shareholders Scheme Resolution at the Founding Shareholders Scheme Meeting (either virtually or by proxy, representative or attorney); and o a majority in number (more than 50%) of the Founding Shareholders present and voting at the Founding Shareholders Scheme Meeting (either virtually or by proxy, representative or attorney).
Reverse Break Fee	means $300,000.
RG 60	means Regulatory Guide 60 issued by ASIC in September 2020.

Term	Definition
Scheme	means the members' scheme of arrangement under Part 5.1 of the Corporations Act between ALO and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Bidder Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.2 of the Scheme Implementation Deed.
Scheme Booklet	means this document, including each Appendix.
Scheme Consideration	means the consideration to be provided or procured by the Bidder to Scheme Shareholders in consideration for the transfer of the Scheme Shares to the Bidder as follows: a. in the case of General ALO Shareholders, the Cash Scheme Consideration; and b. in the case of each Founding Shareholder, the Scrip Scheme Consideration.
Scheme Implementation Deed	means the Scheme Implementation Deed dated 27 March 2023 between ALO and Bidder, as amended by the deed of amendment and restatement dated 13 June 2023 where the context requires.
Scheme Meetings	means the General Scheme Meeting and the Founding Shareholders Scheme Meeting.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the second Business Day after the Effective Date, or such other time and date as ALO and Bidder agree in writing.
Scheme Resolution	means the General Scheme Resolution or the Founding Shareholders Scheme Resolution (as applicable).
Scheme Shareholder	means an ALO Shareholder as at the Scheme Record Date.
Scheme Shares	means all ALO Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scrip Scheme Consideration	means the aggregate Scheme Consideration to be provided to the Founding Shareholders in the form of the issue of Bidder HoldCo Shares under clause 5.4 of the Scheme.
Second Court Date	means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard, with such hearing being the **Second Court Hearing**.
SHD	means the shareholders' deed to be entered into in respect of the Bidder HoldCo and its shareholders as contemplated by clause 3.1(n) of the Scheme Implementation Deed.
STRA	means short term residential accommodation.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act. A reference to **Subsidiaries** has a corresponding meaning.
Superior Proposal	has the meaning given in clause 1.1 of the Scheme Implementation Deed.

Term	Definition
Tax	means any tax, levy, impost, withholding, charge, duty (including stamp and transaction duties) or similar liability paid, payable or assessed as being payable by any Governmental Agency together with any fines, penalties and interest in connection with them.
Third Party	means a person other than Bidder, any other Bidder Group Member and each of their respective Associates
Transaction	means the acquisition of the Scheme Shares by Bidder through implementation of the Scheme in accordance with the terms of this deed.
Treasurer	means the Treasurer of the Commonwealth of Australia.
Trust Account	means an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) operated by ALO (or the ALO Share Registry) as trustee for the Scheme Shareholders.
VWAP	means the volume weighted average price.

13.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

a. words and phrases have the same meaning (if any) given to them in the Corporations Act;

b. words importing a gender include any gender;

c. words importing the singular include the plural and vice versa;

d. an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

e. a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;

f. a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

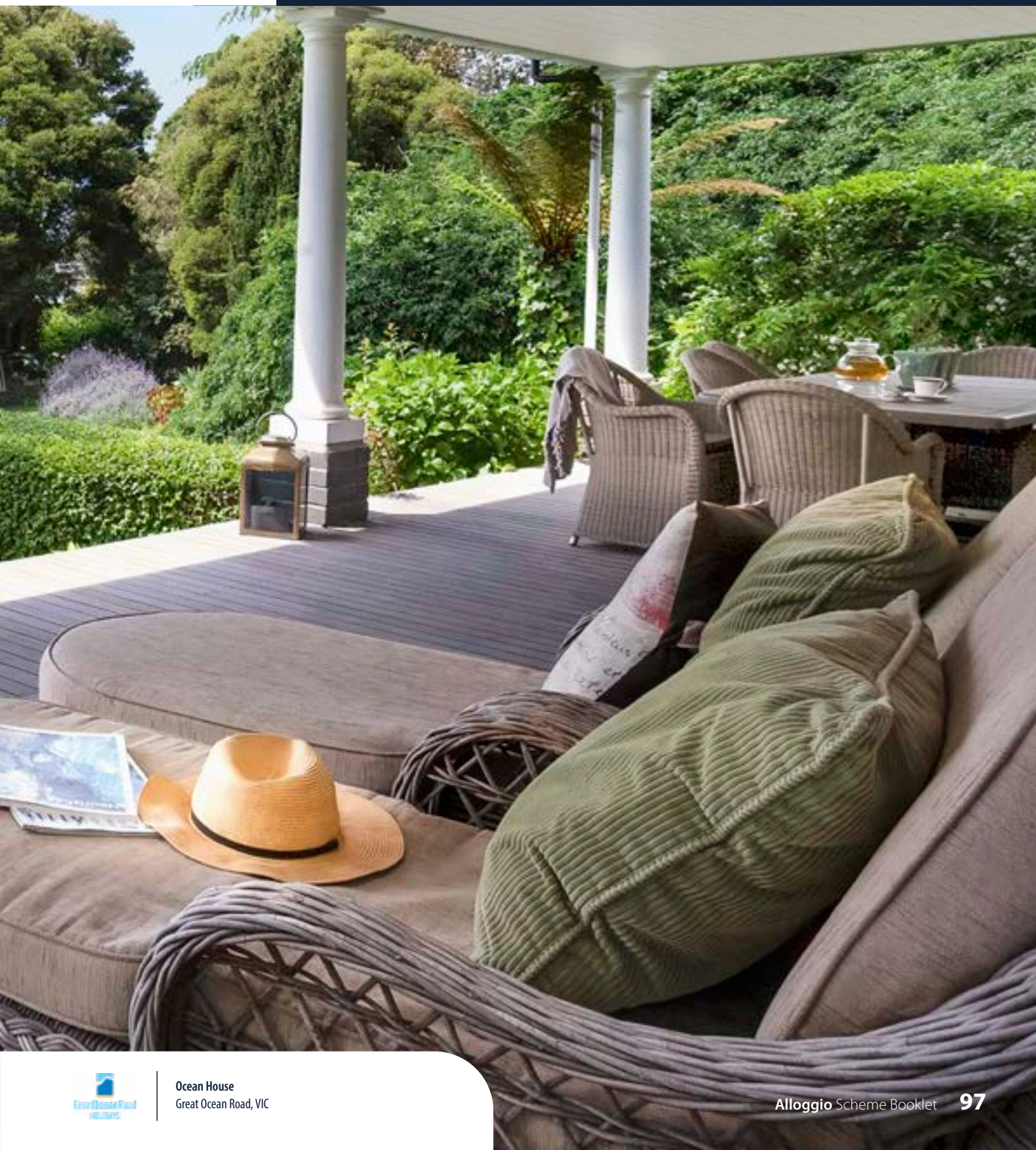
g. headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

h. a reference to time is a reference to time in Sydney, Australia; and

i. a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Appendix A

Notice of General Scheme Meeting



Ocean House
Great Ocean Road, VIC

1. Notice of General Scheme Meeting

Notice is hereby given that, by an order of the Court made on Friday, 7 July 2023 pursuant to section 411(1) of the Corporations Act, a meeting of General ALO Shareholders (being all Alloggio Shareholders other than Founding Shareholders) will be held:

Date: Tuesday, 15 August 2023

Time: 9.30am AEST (Sydney, Melbourne)

Venue: Virtually through the online meeting platform powered by Automic at https://investor.automic.com.au (**General Scheme Meeting**).

Further information on how to participate and vote in the Scheme Meeting is set out in sections 5.3 and 5.4 of the explanatory notes that accompany and form part of this notice.

2. Purpose of the General Scheme Meeting

The purpose of the General Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which Alloggio and Bidder agree in writing) proposed to be entered into between Alloggio Group and Alloggio Shareholders, at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the General Scheme Resolution.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in section 13 of the Scheme Booklet, unless the context otherwise requires.

3. General Scheme Resolution

To consider and, if thought fit, to pass the following General Scheme Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

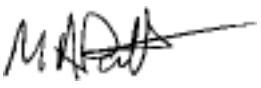
> *'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of General Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which Alloggio and Bidder agree in writing) and the Alloggio Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'*

4. Chairperson

The Court has directed that Matthew Keen is to act as Chair of the General Scheme Meeting (and that, if Matthew Keen is unable or unwilling to attend, John Murphy is to act as Chair of the General Scheme Meeting) and has directed the Chair to report the result of the General Scheme Resolution to the Court.

Dated: 10 July 2023

By order of the Court and the Alloggio Board



Michael Potts
Company Secretary
Alloggio Group Limited

5. Explanatory Notes for the General Scheme Meeting

The Scheme Booklet contains important information to assist you to decide how to vote at the General Scheme Meeting.

Unless the context requires otherwise, terms used in this Notice of General Scheme Meeting have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

A copy of the Scheme is set out in Appendix D to the Scheme Booklet.

The General Scheme Meeting is expected to be held on 15 August 2023 at 9.30am virtually through the online platform powered by Automic at https://investor.automic.com.au.

5.1 Requisite majorities

The requisite majorities for each Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

in relation to the General Scheme Resolution:

a. at least 75% of the votes cast on the General Scheme Resolution at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and

b. a majority in number (more than 50%) of the General ALO Shareholders present and voting at the General Scheme Meeting (either virtually or by proxy, representative or attorney); and

The Court has the power to waive the second requirement in the paragraph above.

5.2 Court Approval

If the General Scheme Resolution (set out in the Notice of General Scheme Meeting) and the Founding Shareholders Scheme Resolution (set out in the Notice of Founding Shareholders Scheme Meeting) are approved at the relevant Scheme Meetings by the Requisite Majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, Alloggio intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the General Scheme Resolution to be put to the General Scheme Meeting are set out in the Scheme Booklet.

5.3 Entitlement to vote

The Court has ordered that, for the purposes of the General Scheme Meeting, the time for determining eligibility to vote at the meeting is 7.00pm AEST (Sydney, Melbourne) on Sunday, 13 August 2023.

This means that any General ALO Shareholders entered on the Alloggio Share Register at that time will be entitled to attend and vote at the General Scheme Meeting. Voting will be conducted by poll.

Every General ALO Shareholder who is present virtually or by proxy, representative or attorney will have one vote for each ALO Share held by that General ALO Shareholder.

The Bidder Group and its associates (as defined in section 12 of the Corporations Act) are excluded from voting on the Scheme Resolutions, unless:

- the vote is cast by the associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- the associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an associate of the Bidder Group.

5.4 Voting

You may vote virtually online at the General Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Voting in person

If you are a General ALO Shareholder, you will not be able to vote in person at the General Scheme Meeting.

Voting online

General ALO Shareholders participating in the General Scheme Meeting using the online meeting platform will be able to vote between the commencement of the General Scheme Meeting and the closure of voting as announced by the Chair during the General Scheme Meeting.

If you choose to participate in the General Scheme Meeting online, registration will open at 9.00am AEST (Sydney, Melbourne) on Tuesday, 15 August 2023.

To participate in the General Scheme Meeting online, you can log in to the General Scheme Meeting through the online platform powered by Automic at https://investor.automic.com.au.

Shareholders who have an existing account with Automic will be able to watch, listen, and vote online. Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting. An account can be created via the following link https://investor.automic.com.au, then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to https://investor.automic.com.au
2. Log in with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "Register" when this appears. Alternatively, click on "Meetings" on the left-hand menu bar to access registration.
4. Click on "Register" and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Once on the URL, General ALO Shareholders will need to provide their email, name, phone number and SRN/HIN to participate in the General Scheme Meeting in real-time:

Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

Alloggio Shareholders wishing to appoint a proxy to attend and vote at the relevant Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form.

There are a number of ways Proxy Forms may be submitted. Proxy Forms may be lodged using one or more of the following methods:

Online

Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.

For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/

By post

Automic, GPO Box 5193, Sydney NSW 2001.

By hand

Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.

Proxy Forms must be received by the Alloggio Registry by the Last Date for Proxy Forms. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Alloggio Registry at the same time as the Proxy Form (unless previously provided to the Alloggio Registry).

Alloggio Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the relevant Scheme Meeting.

Nominated proxies will need to contact Automic to obtain login details to vote at the General Scheme Meeting.

Voting by attorney

General ALO Shareholders wishing to appoint an attorney to participate and vote at the General Scheme Meeting on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the Alloggio Registry by the Last Date for Proxy Forms.

Voting by corporate representative

General ALO Shareholders who are bodies corporate may appoint a corporate representative to participate and vote at the General Scheme Meeting on their behalf and must provide a duly executed certificate of appointment (in accordance with sections 250D or 253B of the Corporations Act) prior to the relevant Scheme Meeting.

Jointly Held Securities

If ALO Shares are jointly held, either one of the joint General ALO Shareholders is entitled to vote at the General Scheme Meeting.

If more than one joint General ALO Shareholder votes in respect of jointly held ALO Shares, only the vote of the General ALO Shareholder whose name appears first in the Alloggio Share Register will be counted.

Technical difficulties

Technical difficulties may arise during the General Scheme Meeting. The Chairman has discretion as to whether and how the General Scheme Meeting should proceed if a technical difficulty arises.

In exercising this discretion, the Chairman will have regard to the number of Alloggio Shareholders impacted and the extent to which participation in the business of the General Scheme Meeting is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the General Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, General ALO Shareholders are encouraged to lodge a proxy by 9.30am AEST (Sydney, Melbourne) on Sunday, 13 August 2023.

Appendix B

Notice of Founding Shareholders Scheme Meeting

A PERFECT STAY

Tidemark
Byron Bay, NSW

1. Notice of Founding Shareholders Scheme Meeting

Notice is hereby given that, by an order of the Court made on Friday, 7 July 2023 pursuant to section 411(1) of the Corporations Act, a meeting of Founding Shareholders (excluding all other Alloggio Shareholders) will be held immediately following the General Scheme Meeting:

Date: Tuesday, 15 August 2023

Time: 10.00am AEST (Sydney, Melbourne) or as soon thereafter as the General Scheme Meeting has concluded or is adjourned

Venue: Virtually through the online platform powered by Automic at https://investor.automic.com.au (**Founding Shareholders Scheme Meeting**).

Further information on how to participate and vote in the Scheme Meeting is set out in sections 5.3 and 5.4 of the explanatory notes that accompany and form part of this notice.

2. Purpose of the Founding Shareholders Scheme Meeting

The purpose of the Founding Shareholders Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which Alloggio and Bidder agree in writing) proposed to be entered into between Alloggio Group and Alloggio Shareholders, at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the Founding Shareholders Scheme Resolution.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Additional information about the Founding Shareholders Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in Section 13 of the Scheme Booklet, unless the context otherwise requires.

3. Founding Shareholders Scheme Resolution

To consider and, if thought fit, to pass the following Founding Shareholders Scheme Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

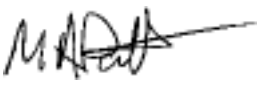
> *'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of Founding Shareholders Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which Alloggio and Bidder agree in writing) and the Alloggio Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'*

4. Chairperson

The Court has directed that Matthew Keen is to act as Chair of the Founding Shareholders Scheme Meeting (and that, if Matthew Keen is unable or unwilling to attend, John Murphy is to act as Chair of the Founding Shareholders Scheme Meeting) and has directed the Chair to report the result of the Founding Shareholders Scheme Resolution to the Court.

Dated: 10 July 2023

By order of the Court and the Alloggio Board



Michael Potts
Company Secretary
Alloggio Group Limited

5. Explanatory Notes for the General Scheme Meeting

The Scheme Booklet contains important information to assist you to decide how to vote at the Founding Shareholders Scheme Meeting.

Unless the context requires otherwise, terms used in this Notice of Founding Shareholders Scheme Meeting have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

A copy of the Scheme is set out in Appendix D to the Scheme Booklet.

The Founding Shareholders Scheme Meeting is expected to be held at 10.00am on 15 August 2023, or as soon thereafter as the General Scheme Meeting has concluded or is adjourned virtually through the online platform powered by Automic at https://investor.automic.com.au.

5.1 Requisite majorities

The requisite majorities for each Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

in relation to the Founding Shareholders Scheme Resolution:

a. at least 75% of the votes cast on the Founding Shareholders Scheme Resolution at the Founding Shareholders Scheme Meeting (either in person or by proxy, representative or attorney); and

b. a majority in number (more than 50%) of the Founding Shareholders present and voting at the Founding Shareholders Scheme Meeting (either in person or by proxy, representative or attorney).

The Court has the power to waive the second requirement in the paragraph above.

5.2 Court Approval

If the General Scheme Resolution (set out in the Notice of General Scheme Meeting) and the Founding Shareholders Scheme Resolution (set out in the Notice of Founding Shareholders Scheme Meeting) are approved at the relevant Scheme Meetings by the Requisite Majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, Alloggio intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the General Scheme Resolution to be put to the General Scheme Meeting are set out in the Scheme Booklet.

5.3 Entitlement to vote

The Court has ordered that, for the purposes of the Founding Shareholders Scheme Meeting, the time for determining eligibility to vote at the meeting is 7.00pm AEST (Sydney, Melbourne) on Sunday, 13 August 2023.

This means that any Founding Shareholders entered on the ALO Share Register at that time will be entitled to attend and vote at the Founding Shareholders Scheme Meeting. Voting will be conducted by poll.

Every Founding Shareholder who is present virtually in person or by proxy, representative or attorney will have one vote for each ALO Share held by that Founding Shareholder.

The Bidder Group and its associates (as defined in section 12 of the Corporations Act) are excluded from voting on the Scheme Resolutions, unless:

- the vote is cast by the associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- the associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an associate of the Bidder Group.

5.4 Voting

You may vote virtually online at the Founding Shareholders Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Voting online

If you are a Founding Shareholder, you will be able to vote online during the Founding Shareholders Scheme Meeting.

Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

Alloggio Shareholders wishing to appoint a proxy to attend and vote at the relevant Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form.

There are a number of ways Proxy Forms may be submitted. Proxy Forms may be lodged using one or more of the following methods:

Online

Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.

For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/

By post

Automic, GPO Box 5193, Sydney NSW 2001.

By hand

Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.

Proxy Forms must be received by the Alloggio Registry by the Last Date for Proxy Forms. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the Alloggio Registry at the same time as the Proxy Form (unless previously provided to the Alloggio Registry).

If you are a Founding Shareholder, a proxy will be admitted to the Founding Shareholders Scheme Meeting upon providing evidence of your name and address at the point of entry to the Founding Shareholders Scheme Meeting.

Alloggio Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the relevant Scheme Meeting.

Nominated proxies will need to contact Automic to obtain login details to vote at the General Scheme Meeting.

Voting by attorney

Founding Shareholders wishing to appoint an attorney to participate and vote at the Founding Shareholders Scheme Meeting on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the Alloggio Registry by the Last Date for Proxy Forms. Persons attending the Founding Shareholders Scheme Meeting as an attorney should bring to the Founding Shareholders Scheme Meeting the original or a certified copy of the instrument under which they have been appointed as an attorney and authorised to attend and vote at the Founding Shareholders Scheme Meeting.

Voting by corporate representative

Founding Shareholders who are bodies corporate may appoint a corporate representative to participate and vote at the Founding Shareholders Scheme Meeting on their behalf and must provide a duly executed certificate of appointment (in accordance with sections 250D or 253B of the Corporations Act) prior to the relevant Scheme Meeting.

Jointly Held Securities

If ALO Shares are jointly held, either one of the joint Founding Shareholders is entitled to vote at the Founding Shareholders Scheme Meeting.

If more than one joint Founding Shareholder votes in respect of jointly held ALO Shares, only the vote of the Founding Shareholder whose name appears first in the Alloggio Share Register will be counted.

Technical difficulties

Technical difficulties may arise during the Founding Shareholders Scheme Meeting. The Chairman has discretion as to whether and how the Founding Shareholders Scheme Meeting should proceed if a technical difficulty arises.

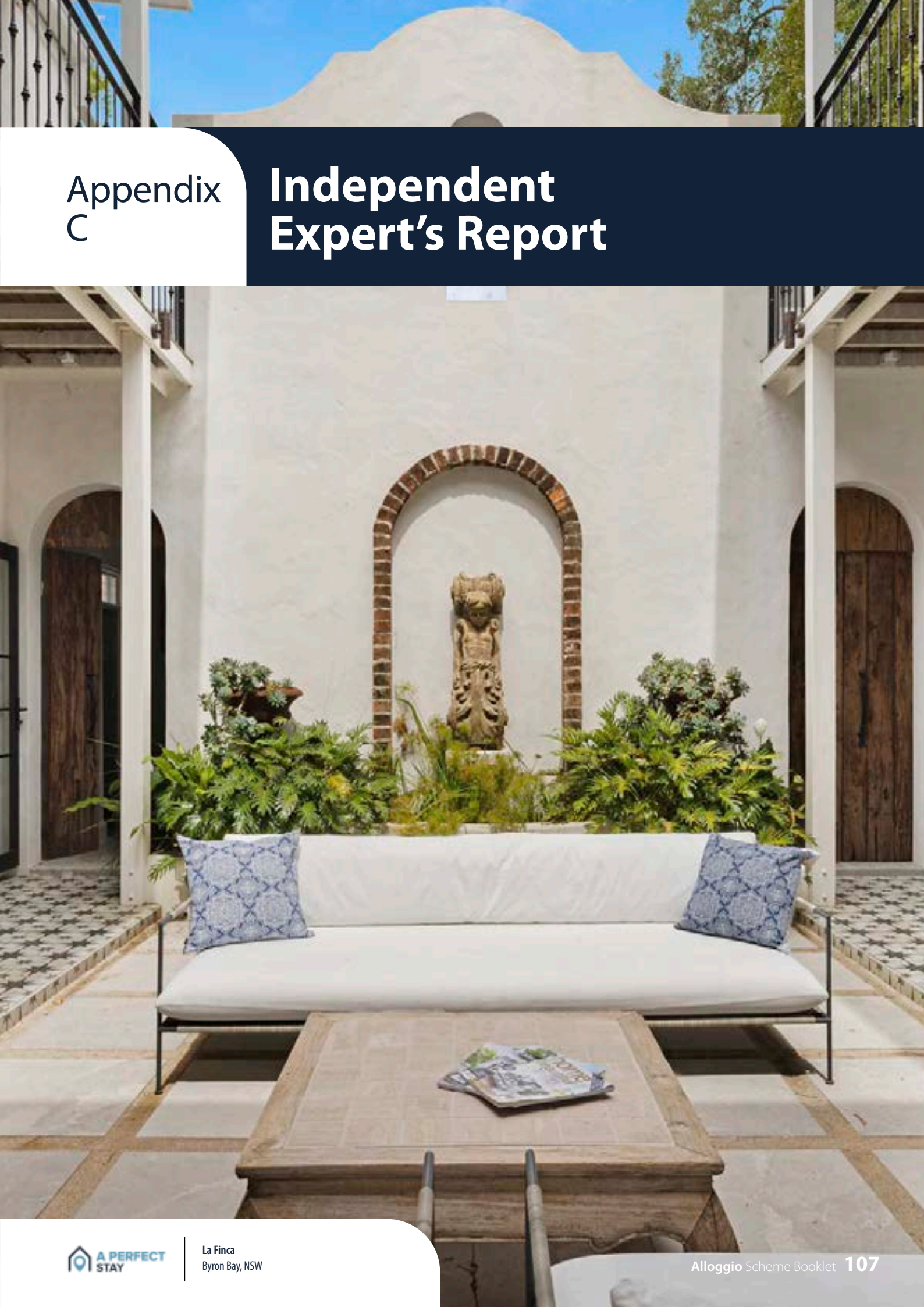
In exercising this discretion, the Chairman will have regard to the number of Alloggio Shareholders impacted and the extent to which participation in the business of the Founding Shareholders Scheme Meeting is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the Founding Shareholders Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, Founding Shareholders are encouraged to lodge a proxy by 9.30am AEST (Sydney, Melbourne) on Sunday, 13 August 2023.

Appendix C

Independent Expert's Report



INDEPENDENT EXPERT REPORT

ALLOGGIO GROUP LIMITED

In relation to the proposed acquisition of Alloggio Group Limited shares by Next Capital Pty Ltd via Scheme of Arrangement

19 June 2023

BDO

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

FINANCIAL SERVICES GUIDE

Dated: 19 June 2023

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 $80,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

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

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

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Website: http://www.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

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247 420 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company Limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards legislation.

SUMMARY OF FINDINGS

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

The Directors
Alloggio Group Limited
840 Hunter Street,
Newcastle, NSW 2300

19 June 2023

Dear Directors

INDEPENDENT EXPERT REPORT IN RELATION TO THE PROPOSED ACQUISITION OF 100% OF ALLOGGIO GROUP LIMITED SHARES BY NEXT CAPITAL PTY LTD VIA SCHEME OF ARRANGEMENT

1. INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDOCF**, **we**, **us** or **our**) have been engaged by the Independent Board Committee (**IBC**) of Alloggio Group Limited (**Alloggio** or the **Company**) to prepare this independent expert report (**Report** or **IER**), setting out our opinion as to whether the proposed acquisition of Alloggio shares by Next Capital Pty Ltd (**Next Capital**) via Scheme of Arrangement (**Proposed Scheme**) is in the best interests of the Shareholders of Alloggio in the absence of a superior proposal.

Alloggio offers short-term rental accommodation for holiday makers, international travellers and corporate guests in Australia. The Company has also developed an in-house cloud-based technology platform that provides an end-to-end solution for travellers and holiday property owners and managers. Alloggio is listed on the Australian Securities Exchange (**ASX**) under the ticker ASX:ALO.

Next Capital Pty Ltd is a private equity firm specialising in investments in later stage expansion, and small and mid-market buyouts.

If the Proposed Scheme is approved, Will Creedon and Karen Howard (together the "**Founding Shareholders**"), who together hold a voting interest of approximately 28.9% of all Alloggio shares will receive scrip as consideration for the Alloggio shares they control (**Rollover shares**). The Rollover shares will be issued in ALO Holdco Pty Ltd (**ALO Holdco**).

All other shareholders except the Founding Shareholders ("**General ALO Shareholders**") will receive cash consideration of $0.24 for each Alloggio share held (**Scheme Consideration**).

1.1 Background to the Proposed Scheme

On 27 March 2023, Alloggio announced it had entered into a scheme implementation deed (**Original SID**) with Next Capital. Under the Original SID, General ALO Shareholders were offered cash consideration of $0.30 for each Alloggio share held (**Original Proposed Scheme**). We prepared a draft Independent Export Report dated 8 May 2023 in relation to this offer (**Original Draft IER**). The Original Draft IER was provided to the IBC.

On 17 May 2023, Alloggio announced the trading update, together with an update on the Original SID. The trading update advised that the results for the month of April 2023 were lower than expected. Alloggio revised the forecast earnings before interest, tax, depreciation and amortisation less rental expenses (**EBITDA**) for the year ending 30 June 2023 (**FY23F**). The revised EBITDA forecast for FY23F was $4.8m to $5.1 million, compared to the previous estimate of $6.4 to $8.2 million.

As a result of the revised FY23F EBITDA forecast, Next Capital advised that they were no longer able to maintain an offer price of $0.30 per Alloggio share. Alloggio and Next Capital entered into a consultation period from 17 May 2023 that originally expired on 22 May 2023, but was subsequently extended to 13 June 2023 (**Consultation period**). On 13 June 2023, Alloggio announced an amended scheme implementation deed (**SID**). Under the SID, Next Capital offered

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the cash consideration of $0.24 per share to acquire 100% of the Alloggio shares by way of a court-approved scheme of arrangement.

If the Proposed Scheme is approved, the Founding Shareholders, who together hold a voting interest of approximately 28.9% of all Alloggio shares will receive Rollover shares for the Alloggio shares they control. The Rollover shares will be issued in ALO Holdco.

The General ALO Shareholders will receive cash consideration of $0.24 for each Alloggio share held.

Full details of the Proposed Scheme are set out in the scheme booklet that has been prepared for the Shareholders by the Company (**Scheme Booklet**).

2. PURPOSE OF REPORT

The IBC has engaged us to prepare a Report in relation to the Proposed Scheme to satisfy the requirements of:

- the Corporations Act 2001 (Cth) (**Corporations Act** or the **Act**), specifically Section 411; and
- the Australian Securities and Investments Commission's (**ASIC**) Regulatory Guide 60 'Schemes of Arrangement' (**RG 60**).

As the Founding Shareholders are receiving different consideration to General ALO Shareholders, we have also assessed whether the consideration offered to the Founding Shareholders is favourable compared to the Scheme Consideration offered to General ALO Shareholders.

The regulatory requirements relevant to this IER are summarised below.

2.1. Section 411 of the Corporations Act and RG 60

The Proposed Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Act prescribes the information to be sent to General ALO Shareholders in relation to schemes of arrangement pursuant to section 411 of the Act and RG 60 'Schemes of Arrangement'.

RG 60.74 and paragraph 8303 of Schedule 8 of the Act, require the Scheme Booklet to be accompanied by an independent expert report in a situation where any party to the scheme of arrangement has a prescribed shareholding in the company, or where there are common directors in the entities involved in the scheme of arrangement.

Next Capital does not hold any shares in Alloggio and there are no common directors. Therefore, an independent expert's report is not specifically required in relation to the Proposed Scheme. However, the IBC of Alloggio has requested that BDOCF prepare this Report as if it were an independent expert's report pursuant to section 411 of the Act, and to provide an opinion as to whether the Proposed Scheme is in the best interests of the General ALO Shareholders.

This IER is to accompany the Scheme Booklet to be provided to the Shareholders. It has been prepared to assist and enable Shareholders to assess the merits of the Proposed Scheme and to decide whether or not to approve the Proposed Scheme.

3. APPROACH

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

- ASIC Regulatory Guide 111 Content of expert reports (**RG 111**);
- ASIC Regulatory Guide 112 Independence of experts (**RG 112**); 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 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. RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is "fair and reasonable". Further, RG 111 states that even if a proposal was "not fair but reasonable", the expert may conclude that the scheme of arrangement is in the best interests of

shareholders should there be sufficient reasons for shareholders to vote in favour of the scheme of arrangement in the absence of a higher offer.

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

3.1. Fairness

RG 111.11 indicates that an offer is 'fair' if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

- a knowledgeable and willing but not anxious buyer, and a knowledgeable and willing but not anxious seller acting at arm's length; and
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

Based on our interpretation of RG111.11, we have compared:

- The fair market value (**FMV**) of an Alloggio share prior to the Proposed Scheme on a control basis; and
- The Scheme Consideration of $0.24 per share.

3.2. Reasonableness

In accordance with paragraph 60 of 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 to vote for the proposal.

When deciding whether a transaction is 'reasonable', factors an expert might consider include:

- the financial situation and solvency of the entity;
- the alternative options available to the entity;
- the entity's bargaining position;
- whether there is selective treatment of any shareholder; and
- any special value of the transaction to the purchaser.

3.3 Founding Shareholders Consideration

As the Founding Shareholders are receiving different consideration to General ALO Shareholders, we have also assessed whether the consideration offered to the Founding Shareholders is favourable compared to the Scheme Consideration offered to the General ALO Shareholders.

4. SUMMARY OF OPINION

We have concluded that the Proposed Scheme is fair and reasonable, and therefore is in the best interests of the General ALO Shareholders at the time of writing this Report, in the absence of a superior proposal.

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.

BDOCF prepared the Original Draft IER dated 8 May 2023 in relation to the Original Proposed Scheme, announced on 27 March 2023. The Original Draft IER concluded that the consideration payable by Next Capital to the General Shareholders (being cash of $0.30 per Alloggio share) was fair and reasonable, and therefore in the best interest of General ALO Shareholders in the absence of a superior offer. The Original Draft IER was prepared based on the information available prior to Alloggio's trading update of 17 May 2023. The Original Draft IER was also shared with the IBC.

4.1. Fairness assessment

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

Our analysis has been performed by comparing the value of:

- The FMV of an Alloggio share prior to the Proposed Scheme on a control basis; and
- The Scheme Consideration of $0.24 per share.

The Proposed Scheme will be fair if the Scheme Consideration is equal to or greater than the FMV of an Alloggio share pre-transaction, on a controlling interest basis.

We have assessed the FMV of Alloggio, on a control basis, prior to the Proposed Scheme using the quoted market price (**QMP**) and capitalisation of earnings (**COE**) methods.

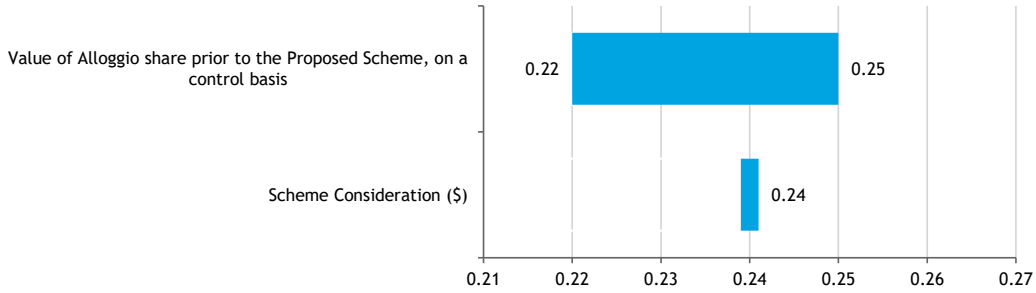
The result of our fairness analysis is summarised below.

Table 1: Fairness summary

$	Low	High
Value of Alloggio share prior to the Proposed Scheme, on a control basis	0.22	0.25
Scheme Consideration ($)	0.24	0.24

Source: BDOCF analysis

Figure 1: Fairness summary



Source: BDOCF analysis

As set out above, the Scheme Consideration of $0.24 per share is towards the upper end of our assessed FMV range of a Alloggio share prior to the Proposed Scheme (on a control basis).

Therefore, we have concluded that the Proposed Scheme is fair to the General ALO 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.

BDOCF prepared the Original Draft IER dated 8 May 2023 in relation to the Original Proposed Scheme, announced on 27 March 2023. The Original Draft IER concluded that the consideration payable by Next Capital to the General Shareholders (being cash of $0.30 per Alloggio share) was fair and reasonable, and therefore in the best interest of General ALO Shareholders in the absence of a superior offer. The Original Draft IER was prepared based on the information available prior to Alloggio's trading update of 17 May 2023. The Original Draft IER was also shared with the IBC.

In addition to the information considered in the Original Draft IER, BDOCF has also considered the following information in this Report:

a. The trading update released on the ASX on 17 May 2023 (Section 3.5)

b. Management accounts for the period to 30 April 2023 (Section 3.5)

c. Revised forecasts for the year ending 30 June 2024 (**FY24F**) (including analysis and details of significant changes since the forecasts provided for the Original Draft IER) (Section 3.6)

d. Updated EBITDA trading and transaction multiples for the comparable companies (Section 8.2 and 9.2)

e. Trading of Alloggio shares on the ASX post the announcement of trading update (Section 7)

f. The Scheme booklet

g. Discussions with IBC

4.2. Reasonableness conclusion

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

Nevertheless, we have set out below a summary of reasonableness factors we consider relevant in assisting General ALO Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

Table 2: Summary of factors considered in the reasonableness assessment

Advantages	
The Proposed Scheme is fair	Our analysis concluded that the Proposed Scheme is fair to the General ALO Shareholders.
The Scheme Consideration represents a premium to Alloggio 's volume weighted average price (**VWAP**)	The Scheme Consideration of $0.24 per share represents a: - c.27% premium to the 1-month VWAP of $0.19; - c.18% premium to the 3 months VWAP of $0.20; and - c.13% premium to the 6 months VWAP of $0.21. The VWAPs above are calculated up to 24 March 2023 being the last trading date prior to the announcement of the Original Proposed Scheme. We have also analysed the ASX trading of Alloggio shares between 17 May 2023 and 12 June 2023, being the Consultation Period. This period reflects the time between the announcement of trading update and the announcement of the Proposed Scheme. The VWAP of an Alloggio share for the Consultation Period was $0.17. The Scheme Consideration of $0.24 per share represents c.41% premium to the VWAP for the Consultation Period.
Certainty of the cash consideration	The Proposed Scheme involves the acquisition of Alloggio shares for cash consideration of $0.24 per share. Cash consideration offers certainty of return and provides General ALO Shareholders with an opportunity to utilise the cash for other purposes including alternative investments. Given the relatively low level of liquidity in the trading of Alloggio shares (refer section 6.1 and 6.2), receiving cash may be a benefit to the General ALO Shareholders. In particular, those who hold large parcels of shares may have difficulty selling their shares on the market, and in the event that they are able to sell, they may cause the quoted market price to fall.
No longer exposed to any risks associated with being a General ALO Shareholder	A cash offer represents a lower risk alternative to holding shares in Alloggio which provides exposure to general market volatility as well as risks specific to Alloggio. One of the risks associated with Alloggio's operations is the proposed recommendation that a 60-day cap to be applied to non-hosted STRA in the Byron Shire. (Refer section 3.1.1 for details). If the Proposed Scheme is approved, General ALO Shareholders will no longer be exposed to any risks associated with holding shares in Alloggio.
Possible decline in Alloggio trading price if the Proposed Scheme is rejected	If the Proposed Scheme is rejected, there may be a decline in Alloggio's share price. Prior to the Original Proposed Scheme, Alloggio's 1-month and 3-month VWAP were $0.19 per share and $0.20 per share, respectively. During the Consultation Period, The VWAP of Alloggio's shares declined to $0.17 per share. We note that this trading may have been influenced by the likelihood of Next Capital making a revised offer. If the Proposed Scheme is rejected, and in the absence of an alternative offer, Alloggio shares may trade at levels below the trading that occurred during the Consultation Period.
Disadvantages	
Inability to participate in the potential upside of Alloggio 's operations	If the Proposed Scheme is approved, the General ALO Shareholders will no longer have any equity interest in Alloggio and will not participate in the potential upside from Alloggio's trading operations going forward.
Other considerations	
Tax implications	If the Proposed Scheme is approved, General ALO Shareholders will dispose of their shares for $0.24 each. This may crystalize a taxable gain or loss for the General ALO Shareholders.

Source: BDOCF analysis

4.3. Consideration offered to the Founding Shareholders

The Founding Shareholders together hold approximately 28.9% of Alloggio's shares, prior to the Proposed Scheme. The Founding Shareholders have been offered shares in ALO Holdco as consideration for the Alloggio shares they control. The General ALO Shareholders have been offered cash consideration of $0.24 for each Alloggio share.

As the Founding Shareholders are receiving different consideration to the General ALO Shareholders, we have assessed whether the consideration offered to the Founding Shareholders is favourable compared to the consideration offered to General ALO Shareholders.

The Founding Shareholders will receive one share in ALO Holdco as consideration for each share they hold in Alloggio.

ALO Holdco is a special purpose vehicle created by Next Capital for the acquisition of Alloggio. Immediately prior to the Proposed Scheme, ALO Holdco is 100% owned by Next Capital and its proforma balance sheet is as follows:

Table 3: Proforma balance sheet of ALO Holdco

($'000)	Notes	Total
Cash and cash equivalents	1	37,840
Total assets		**37,840**
Trade and other payables	2	(2,854)
Next Capital transaction liabilities	3	(3,554)
Total liabilities		**(6,408)**
Net assets		**31,432**
Total shares on issue ('000)	4	142,859
Net asset value per share ($)		**0.22**

Source: Management Information

Notes to the above statement of Proforma financial results are detailed below:

1. Proforma cash and cash equivalents of c.$37.8 million comprises of:
   - equity committed from Next Capital by subscribing 142.9 million shares at an issue price of $0.24 per share; and
   - issue of convertible notes to fund the Proposed Scheme transaction expenses, management options and cash buffer.
2. Trade and other payables include the indicative transaction expenses of $2.9 million in relation to the Proposed Scheme.
3. Next Capital transaction liabilities relates to the funding of Proposed Scheme transaction expenses, acquisition of 2.0 million management options and the maintenance of cash buffer.
4. Total shares on issue comprises of 142.9 million shares to be issued to Next Capital for the committed equity of c.$34.3 million.

Immediately prior to the Proposed Scheme, the net asset value of ALO Holdco is $0.22 per share.

Next Capital has acquired shares in ALO Holdco for $0.24. These shares are the same class of shares that will be issued as consideration to the Founding Shareholders.

Therefore, we conclude that the value of each ALO Holdco share offered to the Founding Shareholders is between c.$0.22 and $0.24, using the net asset approach, and the value paid by Next Capital for the same class of share.

4.3.1. Comparison of the consideration offered

The General ALO Shareholders have been offered cash consideration of $0.24 for each Alloggio Share they own.

The Founding Shareholders have been offered a share in ALO Holdco for each Alloggio share. We have valued each share in ALO Holdco to be between $0.22 and $0.24 in the section above.

Table 4: Summary comparison of consideration offered to the Founding Shareholders and General ALO Shareholders

$	Low	High
Value of each share in ALO Holdco offered to the Founding Shareholders ($)	0.22	0.24
Scheme Consideration offered to General ALO Shareholders ($)	0.24	0.24

Source: BDOCF analysis

Based on the above, we conclude that under the Proposed Scheme, the Founding Shareholders are not receiving a superior offer as compared to the consideration offered to General ALO Shareholders. The value of a ALO Holdco share, immediately prior to the implementation of the Proposed Scheme is not greater than the Scheme Consideration offered to the General ALO Shareholders.

4.3.2. Other advantages and disadvantages to the Founding Shareholders as a result of receiving shares as consideration

We have set out below a summary of reasonableness factors including advantages and disadvantages to the Founding Shareholders as a result of receiving shares as consideration.

Table 5: Summary of advantages and disadvantages

Advantages	
Tax relief on account of Rollover shares	If the Proposed Scheme is approved, the Founding Shareholders may be able to benefit from the capital gain tax (**CGT**) rollover relief and delay the payment of any CGT for a future date. General ALO Shareholders will dispose of their shares for $0.24 each. This may crystalise a taxable gain or loss.
Continued investment in the business	If the Proposed Scheme is approved, the Founding Shareholders will continue to have equity interest in Alloggio via ALO Holdco shares and will be able to participate in the potential upside from Alloggio's trading operations going forward. Founding Shareholders may benefit from the future dividends and value appreciation. General ALO Shareholders will receive cash and will no longer have an investment in Alloggio.
Disadvantages	
Exposure to risks associated with being a Alloggio Shareholder	As discussed above, the Founding Shareholders will continue to have equity interest in Alloggio via ALO Holdco shares. The Founding Shareholders will be exposed to the risks of the business including any potential reduction in the value of their shares.
Illiquid investment	Founding Shareholders will hold shares in ALO Holdco which will not be listed on the ASX. The shares in ALO Holdco are therefore less liquid, and the Founding Shareholders may not be able to significantly influence the timing of the conversion of their shares into cash.

Source: BDOCF analysis

5. OTHER MATTERS

5.1. 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 Scheme on the particular circumstances of individual shareholders. Some individual shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in this IER. Accordingly, individual shareholders may reach different conclusions as to whether or not the Proposed Scheme is in the best interests in their individual circumstances.

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

Approval or rejection of the Proposed Scheme 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 General ALO Shareholders should carefully consider the Scheme Booklet. General ALO Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their professional advisor.

5.2. 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 Scheme. 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 last two years, between BDO Group Holdings Limited or BDOCF and any of the parties to the Proposed Scheme;
- 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;
- we have been appointed as independent expert for the purposes of providing an IER for the Scheme Booklet;
- that we have relied on information provided by the Directors and Management of Alloggio (**Management**) 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 Alloggio in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

5.3. 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.

5.4. 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**.

5.5. 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 Alloggio.

Under the terms of our engagement, Alloggio has agreed to indemnify BDO Group Holdings Limited and 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.

5.6. Limitations

This IER has been prepared at the request of the IBC for the sole benefit of IBC and General ALO Shareholders of Alloggio to assist them in their decision to approve or reject the Proposed Scheme. This IER is to accompany the Scheme Booklet to be sent to the General ALO Shareholders to consider the Proposed Scheme 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 IBC and General ALO Shareholders without our written consent. We accept no responsibility to any person other than the IBC and General ALO 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 with the Scheme Booklet. Apart from this IER, we are not responsible for the contents of the Scheme Booklet, or any other document associated with the Proposed Scheme. We acknowledge that this IER may be lodged with regulatory authorities.

5.7. 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.

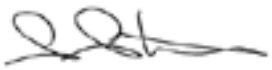
5.8. Financial Service Guide

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 of the report

1.1 Purpose

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (**BDOCF**, **we**, **us** or **our**) have been engaged by the Independent Board Committee (**IBC**) of Alloggio Group Limited (**Alloggio** or the **Company**) to prepare this independent expert report (**Report** or **IER**), setting out our opinion as to whether the proposed acquisition of Alloggio shares by Next Capital Pty Ltd (**Next Capital**) via Scheme of Arrangement (**Proposed Scheme**) is in the best interests of the Shareholders of Alloggio in the absence of a superior proposal.

Alloggio offers short-term rental accommodation for holiday makers, international travellers and corporate guests in Australia. The Company has also developed an in-house cloud-based technology platform that provides an end-to-end solution for travellers and holiday property owners and managers. Alloggio is listed on the Australian Securities Exchange (**ASX**) under the ticker ASX:ALO.

Next Capital Pty Ltd is a private equity firm specialising in investments in later stage expansion, and small and mid-market buyouts. The typical investment size of Next Capital ranges between $50.0 Million and $200.0 million.

If the Proposed Scheme is approved, Will Creedon and Karen Howard (together the "**Founding Shareholders**"), who together hold a voting interest of approximately 28.9% of all Alloggio shares will receive scrip as consideration for the Alloggio shares they control (**Rollover shares**). The Rollover shares will be issued in ALO Holdco.

All other shareholders except the Founding Shareholders ("**General ALO Shareholders**") will receive cash consideration of $0.24 for each Alloggio share held (**Scheme Consideration**).

1.2 Proposed Scheme

On 27 March 2023, Alloggio announced it had entered into a scheme implementation deed (**Original SID**) with Next Capital. Under the Original SID, General ALO Shareholders were offered cash consideration of $0.30 for each Alloggio share held (**Original Proposed Scheme**). We prepared a draft Independent Export Report dated 8 May 2023 in relation to this offer (**Original Draft IER**). The Original Draft IER was provided to the IBC.

On 17 May 2023, Alloggio announced the trading update, together with an update on the Original SID. The trading update advised that the results for the month of April 2023 were lower than expected. Alloggio revised the forecast earnings before interest, tax, depreciation and amortisation less rental expenses (**EBITDA**) for the year ending 30 June 2023 (**FY23F**). The revised EBITDA forecast for FY23F was $4.8m to $5.1 million, compared to the previous estimate of $6.4 to $8.2 million.

As a result of the revised EBITDA forecast for FY23F, Next Capital advised that they were no longer able to maintain an offer price of $0.30 per Alloggio share. Alloggio and Next Capital entered into a consultation period from 17 May 2023 that originally expired on 22 May 2023, but was subsequently extended to 13 June 2023 (**Consultation period**). On 13 June 2023, Alloggio announced an amended scheme implementation deed (**SID**). Under the SID, Next Capital offered the cash consideration of $0.24 per share to acquire 100% of the Alloggio shares by way of a court-approved scheme of arrangement.

If the Proposed Scheme is approved, the Founding Shareholders, who together hold a voting interest of approximately 28.9% of all Alloggio shares will receive Rollover shares for the Alloggio shares they control. The Rollover shares will be issued in ALO Holdco.

The General ALO Shareholders will receive cash consideration of $0.24 for each Alloggio share held.

Full details of the Proposed Scheme are set out in the scheme booklet that has been prepared for the Shareholders by the Company (**Scheme Booklet**).

2. Scope and Limitations

2.1 Scope

The scope of the procedures we undertook in forming our opinion on whether the Proposed Scheme is in the best interest of Alloggio 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 (**FMV**) of various securities, assets and liabilities. For the purposes of our opinion, the term FMV 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

The IBC has engaged us to prepare a Report in relation to the Proposed Scheme to satisfy the requirements of:

- the Corporations Act 2001 (Cth) (**Corporations Act** or the **Act**), specifically Section 411; and
- the Australian Securities and Investments Commission's (**ASIC**) Regulatory Guide 60 'Schemes of Arrangement' (**RG 60**).

The regulatory requirements relevant to this IER are summarised below.

2.2.1 Section 411 of the Act and RG 60

The Proposed Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Act prescribes the information to be sent to the General ALO Shareholders in relation to schemes of arrangement pursuant to section 411 of the Act and RG 60 'Schemes of Arrangement'.

RG 60.74 and paragraph 8303 of Schedule 8 of the Act, require the Scheme Booklet to be accompanied by an independent expert report in a situation where any party to the scheme of arrangement has a prescribed shareholding in the company, or where there are common directors in the entities involved in the scheme of arrangement.

Next Capital does not hold any shares in Alloggio and there are no common directors. Therefore, an independent expert's report is not specifically required in relation to the Proposed Scheme. However, the IBC of Alloggio has requested that BDOCF prepare this Report as if it were an independent expert's report pursuant to section 411 of the Act, and to provide an opinion as to whether the IBC is justified in recommending the Proposed Scheme in the absence of a superior proposal.

Accordingly, the IBC has requested that BDOCF prepare this IER to accompany the Scheme Booklet required to be provided to the General ALO Shareholders to enable them to assess the Proposed Scheme and to decide whether to approve the Proposed Scheme.

2.3 Basis of Assessment

In determining whether the Proposed Scheme is in the best interests of the General ALO 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'?

RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is "fair and reasonable". Further, RG 111 states that even if a proposal was "not fair but reasonable", the expert may conclude that the scheme of arrangement is in the best interests of shareholders should there be sufficient reasons for shareholders to vote in favour of the Proposed Scheme in the absence of a higher offer.

2.4 Fairness

RG 111.11 indicates that an offer is 'fair' if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the offer.

The value of the securities the subject of the offer is determined assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

The Proposed Scheme will be fair if the Scheme Consideration, being cash of $0.30 per Alloggio share, is equal to or greater than the FMV of the securities that are the subject of the Proposed Scheme, being one Alloggio share prior to the Proposed Scheme on a control basis.

As the Founding Shareholders are receiving different consideration to the General ALO Shareholders, we have also assessed whether the consideration offered to the Founding Shareholders is favourable compared to the Scheme Consideration offered to General ALO Shareholders.

2.5 Reasonableness

In accordance with paragraph 12 of RG 111, an offer is 'reasonable' if it is 'fair'. An offer could be considered 'reasonable' if there are valid reasons to approve it (in the absence of any higher bid before the close of the offer), 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 Scheme. 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 Scheme;
- 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;
- we have been appointed as independent expert for the purposes of providing an IER for the Scheme Booklet;
- that we have relied on information provided by the Directors and Management of Alloggio (**Management**) 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 Alloggio in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.7 Original Draft IER

BDO prepared the Original Draft IER on 8 May 2023 in relation to the Original Proposed Scheme. This Original Draft IER concluded that the consideration payable by Next Capital (being cash of $0.30 per Alloggio share) was fair and reasonable, and therefore in the best interest of the General ALO Shareholders in the absence of a superior offer. The Original Draft IER was prepared based on information available prior to Alloggio's trading update announced on 17 May 2023. The Original Draft IER was also shared with the IBC.

In addition to the information considered in the Original Draft IER, BDO has also considered the following information in this Report:

a. The trading update provided to the ASX on 17 May 2023 (Section 3.5)

b. Management accounts for the period to 30 April 2023 (Section 3.5)

c. Revised forecasts for the year ending 30 June 2024 (**FY24F**) (including analysis and details of significant changes since the forecasts provided for the Original Draft IER) (Section 3.6)

d. Updated EBITDA trading and transaction multiples for the comparable companies (Section 8.2 and 9.2)

e. Trading of Alloggio shares on the ASX post the announcement of trading update (Section 7)

f. The Scheme booklet

g. Discussions with IBC

2.8 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.

2.9 Reliance on Information

This report is based upon financial and other information provided by the Company. BDOCF has considered and relied upon this information. BDOCF believes the information provided to be reliable, complete and not misleading, and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Scheme is in the best interests of the General ALO Shareholders.

Alloggio has agreed to indemnify BDOCF and the directors, partners and employees of BDOCF, and any related entity against any claim arising out of misstatements or omissions in any material supplied by the Company, its subsidiaries, directors or employees, on which BDOCF has relied.

BDOCF does not warrant that its 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 in the best interests is in the nature of an overall opinion rather than an audit or detailed investigation. Preparation of this report does not imply that BDOCF has audited in any way the financial accounts or other records of the Company.

It is understood that the accounting information provided to BDOCF was prepared in accordance with generally accepted accounting principles and except where noted, prepared in a manner consistent with the method of accounting used by the Company, in previous accounting periods.

An important part of the information base used in forming an opinion of the kind expressed in this report are the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

2.10 Limitations

We acknowledge that this IER may be lodged by the Company with regulatory and statutory bodies and will be included with the Scheme Booklet to be sent to the General ALO Shareholders. The IBC acknowledge that our IER has been prepared solely for the purposes noted in the Scheme Booklet 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, or other similar investigative activities in respect of Alloggio. We understand that the IBC has 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 IBC or their advisors.

We note that the IER does not deal with the individual investment circumstances of 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 Scheme from that adopted in our IER. Accordingly, individuals may reach different conclusions on whether or not the Proposed Scheme is in their best interests. An individual shareholder's decision in relation to the Proposed Scheme may be influenced by their particular circumstances and, therefore, General ALO Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Scheme Booklet or any other document. We have provided consent for inclusion of the IER in the Scheme Booklet. Our consent and the Scheme Booklet acknowledge that

we have not been involved with the issue of the Scheme Booklet and that we accept no responsibility for the Scheme Booklet apart from the IER.

2.11 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 Scheme to General ALO 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 Scheme is implemented, that it will be implemented in accordance with the stated terms;
- the legal mechanisms to implement the Proposed Scheme are correct and effective; and
- there are no undue changes to the terms and conditions of the Proposed Scheme or material issues unknown to us.

2.12 Current market conditions

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

2.13 Sources of Information

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

3. PROFILE OF ALLOGGIO

3.1. Overview

Alloggio is an operator of short-term rental accommodation on the east coast of Australia with a current portfolio of 2,256 holiday properties and mixed accommodation with approximately 502 accommodation rooms. The business operates its two key business divisions: Holiday Property Management and Mixed accommodation.

- Holiday property management

  Alloggio's property management division is an end-to-end solution for property owners, operating and servicing holiday homes in exchange for booking fees, holiday property management fees, marketing, accounting, and ancillary fees. The properties are located in popular tourism destinations on the east coast of Australia.

  The Company integrates its scalable cloud-based technology platform with third parties to enable its managed holiday properties, to market its services and maximise bookings for holiday property owners. Third-party websites and other channels receive commission on bookings for Alloggio managed holiday properties.

- Mixed accommodation

  Alloggio's mixed accommodation division operates under commercial leasing arrangements and manages 3 to 4-star hotels each comprising of 14 to 60 rooms. As of December 2022, the Company operates and manages mixed accommodation which comprise 502 rooms located in metropolitan and regional New South Wales and Queensland.

  Alloggio leases the mixed accommodation from the owner on a long-term basis, typically between 10 to 30 years, and operates the mixed accommodation independently. This structure allows the Company to operate with lower capital expenditures whilst being able to leverage its cloud-based technology platform to enable efficient operations, maximise utilisation through the usage of Alloggio's database of travellers and social media networks, and enable communication with travellers.

  The mixed accommodation division collects 100% of revenue from accommodation and related services which include, accommodation fees, ancillary field, sub-leasing/licensing of areas, provision of food and beverage services and facilitation of bookings for large groups. Alloggio is responsible for any costs associated with front-of-house operations, housekeeping, linen, utilities, rent, insurances and statutory compliance.

  The Fresh Linen business provides property ancillary services to hotels, mixed accommodation and third-party customers as well.

3.1.1. Recent Industry Developments

On 24 April 2023, the New South Wales Independent Planning Commission released an advice report in relation to short term rental accommodation (**STRA**) planning in the Byron Shire (**Advice Report**).

One recommendation in the Advice Report is that a 60-day cap be applied to non-hosted STRA in the Byron Shire. Council approval would be required in order to exceed the proposed cap. Currently there is a 180-day cap on non-hosted STRA in the Byron Region.

The full Advice Report can be found at:

https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2022/12/byron-shire-short-term-rental-pp/advice/230424_byron-stra-pp_advice-report_final.pdf

During the period between 1 December 2022 to 30 April 2023, Alloggio generated c.$1.2 million of its short-term rental income from the Byron Region. This represents c.5.8% of Alloggio's total revenue in between 1 December 2022 and 30 April 2023 (c.$21.5 million).

If a cap is placed on non-hosted STRA in the Byron Shire, this may impact Alloggio's revenue sourced from the Byron Shire.

3.2. Acquisitions & Investments

Alloggio is a highly acquisitive Company and made multiple acquisitions between December 2021 and December 2022. The Company invested more than c.$27.0 million between December 2021 and December 2022.

The largest transaction occurred in December 2022 with the acquisition of A Perfect Stay Pty Ltd along with its subsidiary Boutique Stays Pty Ltd (together referred as "**A Perfect Stay**") for total consideration of c.$11.4 million (including a $2 million earn-out).

A summary of the Company's material acquisitions and investment activity between December 2021 and December 2022, has been presented in the table below:

Table 6: Summary of material acquisitions between December 2021 and December 2022

Completion date	Acquisition	Summary
Dec-21	Great Ocean Road Accommodation Centre Pty Ltd	In December 2021 Alloggio acquired Great Ocean Road Accommodation Centre Pty Ltd, which is a leading Victorian-based holiday property management business, that managed over 600 properties for approximately $8.0 million in cash.
Apr-22	Noosa acquisitions	In April 2022, the Company completed multiple acquisitions in Noosa region for $4.5 million, which allowed Alloggio to become Noosa's largest holiday property management business and added approximately 110 premium holiday properties to Alloggio's existing Noosa portfolio, and 1,650 holiday properties on the east coast of Australia.
Apr-22	Best of Magnetic	In April 2022, Alloggio completed the acquisition of Best of Magnetic, which is the leading holiday accommodation provider on Magnetic Island, North Queensland for $2.95 million. This acquisition added approximately 160 holiday properties to Alloggio's total portfolio of 1,800 holiday properties on the east coast of Australia.
Jun-22	Coolum Prestige Holiday Homes	On 1 June 2022, Alloggio acquired the Coolum-based prestige Holiday Homes management business for $900k, which added 37 luxury holiday homes to the property management portfolio.
June-22	The Edge Holiday rent roll	On 22 June 2022 Alloggio acquired the Edge Holiday Rent Rolls in Coffs harbour for $0.3 million, which added further 28 properties to this location's portfolio.
Sep-22	Aabode.com	Acquired an e-market booking platform to further enhance its capabilities in hosting management properties that can be connected to B2B and B2C agents and create new booking opportunities.
Nov-22	Fresh Linen	Acquired Fresh Linen in November 2022 for $0.6 million. This service is expected to be expanded in to key tourism destinations in which the business operates.
Nov-22	Gundagai Tourist Park & Cabins (**Gundagai Holiday Park**)	Signed accommodation management agreements (AMA) to operate Gundagai Tourist Park & Cabins in November 2022.
Dec-22	A Perfect Stay & its wholly owned subsidiary Boutique Stays Pty Ltd (**A Perfect Stay**)	Acquired A Perfect Stay for a consideration of c.$11.4 million (including a $2.0 million earn-out), to enter Byron Bay Gold coast & Melbourne markets in December 2022. A Perfect Stay specialises in short-term rental accommodation with approximately 270 holiday properties in the key tourism destination areas and provides Alloggio with peak season revenue.

Source: ASX, publicly available information, Capital IQ

3.3. Directors and senior management

The current board of directors and senior management of Alloggio are:

Table 7: Directors and senior management

Director/manager name	Capacity
Will Creedon	Chief Executive Officer
Shaun Measday	Chief Operating Officer
Michael Potts	Chief Financial Officer
Jon Murphy	Independent Non-Executive Chair
Christopher Sneddon	Non-executive Director
Karen Howard	Non-executive Director
Matthew Keen	Independent Non-executive Director

Source: Audited half yearly financial statements as at 31 December 2022

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

Presented below are historical income statements of Alloggio for the financial-year ended 30 June 2021 (FY21), 30 June 2022 (FY22), Last twelve months ending 31 December 2022 (LTM Dec-22) (collectively referred as **"Historical Period"**) and the forecast for 30 June 2024 (FY24F).

LTM Dec-22 has been constructed based on the financial statements for the year ended 30 June 2022, the six months ended 31 December 2021, and the six months ended 31 December 2022.

The acquisition of A Perfect Stay was completed in December 2022 and the forecast profit and loss statement to 12 months ending 30 June 2023 (**FY23F**) does not reflect the full year performance of the acquisition. Due to the acquisition occurring halfway through FY23F, we have not relied on FY23F in our analysis. FY24F is the first full financial year post the acquisition of A Perfect Stay, Fresh Linen and Gundagai Holiday Park.

As such, we have presented the forecast results for FY24F. FY23F results have not been disclosed below.

Table 8: Historical statement of profit and loss and forecasts for the year ending 30 June 2024

$'000	Notes	12m 30-Jun-21	12m 30-Jun-22	12m 31-Dec-22	12m 30-Jun-24
Revenue	1	11,293	27,835	36,607	45,670
Other income	2	1,352	578	34	
Income		**12,645**	**28,413**	**36,640**	**45,670**
Employee benefits & labour	3	(3,256)	(7,432)	(10,875)	
Guest charges, supplies & housekeeping	4	(1,194)	(3,676)	(5,214)	
Booking & advertising		(464)	(914)	(1,744)	
Property related costs		(967)	(1,326)	(1,587)	
Consulting & IT		(605)	(1,185)	(1,414)	
Merchant and Bartercard fees		(210)	(434)	(681)	
Repairs and maintenance		(194)	(457)	(431)	
Rent		(36)	(67)	(405)	
IPO transaction costs		-	(154)	(80)	
Other expenses		(488)	(1,605)	(2,495)	
Finance costs		(1,659)	(2,151)	(2,327)	
Depreciation and amortisation expense	5	(3,352)	(5,622)	(6,694)	
Total expenses		**(12,424)**	**(25,023)**	**(33,947)**	
Income tax expense		(122)	(1,379)	(1,149)	
Net Profit		**98**	**2,011**	**1,544**	
Add: Depreciation and amortisation expense		3,352	5,622	6,694	
Add: Income tax expense		122	1,379	1,149	
Add: Finance costs		1,659	2,151	2,327	
Reported EBITDA (before rent expense)		**5,231**	**11,163**	**11,715**	**14,412**
Less: Rent expense reinstatement		(2,345)	(4,698)	(5,453)	(6,108)
Adjusted EBITDA		**2,887**	**6,465**	**6,262**	**8,303**

Source: Audited Financial Statements for 30 June 2021, 30 June 2022 & 31 December 2022 and Management forecasts

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

1. Consolidated revenue has increased from c.$11.3 million in FY21 to c.$27.8 million in FY22 and to c.$36.6 million in LTM Dec-22. Alloggio's acquisitions (refer section 3.2) have been a key driver of the growth in revenue.

   FY24F forecasts includes the performance of the existing business and full year performance of all recent acquisition including A Perfect Stay, Gundagai Holiday Park and Fresh Linen.

2. Other income primarily relates to revenue from one-off Government payments in response to the COVID-19 measures.

3. Employee benefits & labour costs primarily relate to employee salaries and benefits which has increased from c$3.3 million in FY21 to c.$10.9 million in LTM Dec-22. As a percentage of revenue, employee benefits and labour costs have increased from c.26% in FY21 to c.30% in LTM Dec-22. The increase also reflects the additional requirements of being a listed entity.

4. Guest charges, supplies & housekeeping relate to the costs of food & beverage supplies, holiday guest & owner charges, cleaning fees and other supplies. This has increased from c.$1.2 million in FY21 to c.$5.2 million in LTM-Dec 22, due to the expansion of holiday hotel operations driven by recent acquisitions. As a percentage of revenue, guest charges, supplies & housekeeping increased from c.9.4% in FY21 to c.12.9% in FY22 and to c.14.2% in LTM Dec-22.

5. Depreciation and amortisation expense is primarily depreciation of right of use assets. The increase in depreciation and amortisation from c.$3.4 million in FY21 to c.$6.7 million in LTM Dec-22 is largely driven by the increase in depreciation relating to mixed accommodations leases.

3.4.1. Adjusted EBITDA for BDOCF analysis

For the purpose of our analysis, we have calculated the Adjusted EBITDA for FY21, FY22 and LTM Dec-22, before the actual rent expenses but after adjusting the depreciation on right of use assets (**ROU**). We note that post the implementation of IFRS 16 Leases, majority of the companies listed on the stock exchange (other than companies under US GAAP) do not disclose the actual rent expense in the financial reports.

In order to maintain consistency between Alloggio's EBITDA and the EBITDA of the comparable companies listed in section 8.2, we have deducted depreciation on ROU from the reported EBITDA of Alloggio. The same approach has been adopted in calculating the EBITDA for the comparable companies.

Table 9: Adjusted EBITDA for BDOCF analysis

$'000	12m 30-Jun-21	12m 30-Jun-22	12m 31-Dec-22
Reported EBITDA (before rent expense and normalisation adjustments)	**5,231**	**11,163**	**11,715**
Less: Depreciation on ROU	(2,790)	(4,206)	(4,645)
Adjusted EBITDA (before normalisation adjustments)	**2,441**	**6,957**	**7,070**
Add: IPO transaction costs	-	154	80
Less: Other non-operating income	(1,352)	(578)	(34)
Adjusted EBITDA for BDOCF analysis	**1,089**	**6,533**	**7,116**

Source: Audited Financial Statements for 30 June 2021, 30 June 2022 & 31 December 2022 and BDOCF analysis

Notes:

- We have added the IPO transaction costs incurred by Alloggio during FY22 and LTM Dec-22 as these are one-off/ non-recurring in nature.
- We have deducted the other non-operating income as it primarily relates to one-off Government payments in response to the COVID-19 measures.

3.5. Trading update

On 17 May 2023, Alloggio announced the trading update, together with an update on the Original Proposed Scheme.

As per the trading update, Alloggio's performance for the month of April 2023 was lower than expected. Further, the forecasts result for May 2023 and June 2023 are anticipated to be lower than the forecasts considered prior to the Original Proposed Scheme.

The revised EBITDA forecast for FY23F was $4.8 to $5.1 million, compared to the previous estimate of $6.4 to $8.2 million.

Table 10: Trading update

$'m	Revised FY23F range ($'m)	Previous FY23F range ($'m)
EBITDA less rental expenses	$4.8 - $5.1 million	$6.4 - $8.2 million

Source: ASX trading update dated 17 May 2023

The primary reason for revising the EBITDA forecasts for FY23F were following:

- Booking pace failed to pick up in the traditional post Easter period which resulted in decline in the April 2023 gross booking value by 37.0% and gross revenues by 24.1%, as compared to the previous forecasts.
- The average length of stay shortened to 3.95 days in April 2023 as compared to previous forecast of 4.96 days. Management revised the forecasts considering the actual average length of stay (3.95 days).
- The performance of Fresh Linen business was impacted by difficulty in the current integration. Alloggio has now delayed the expansion of the Fresh Linen business in the QLD market relative to the assumptions in the previous forecasts.
- Due to the weaker booking pattern in April 2023, Alloggio has estimated that the performance of A Perfect Stay will also be impacted. Further, the first tranche of the earnout consideration of $1.0 million due to the vendors of A Perfect Stay will not be payable as the gross booking value (**GBV**) milestone has not been met. Further, it is highly unlikely that the second tranche of $1.0 million will also be paid.

Presented below is the income statement of Alloggio for the 10 months period ended 30 April 2023

Table 11: Trading performance of Alloggio for 10 months ending 30 April 2023

$'000	10m 30-Apr-23
Revenue	35,629
Income	**35,629**
Direct labour costs	(3,595)
Other direct costs	(6,830)
Gross profit	**25,204**
Administrative	(2,809)
IT	(763)
Labour	(9,249)
Marketing	(906)
Occupancy	(6,246)
Total operating expenses	**(19,973)**
Other Income	46
Rent added back per AASB16	4,905
EBITDA (before rent expense)	**10,182**
Rent expense reinstatement	(4,905)
Adjusted EBITDA	**5,277**

Source: Management accounts for the period ended 10 months to April 2023

As a result of the reasons discussed above, Alloggio revised the forecasts for the year ending 30 June 2024 (**FY24F**).

3.6. FY24F Forecasts

Presented below is the forecast income statement of Alloggio for the financial year ending 30 June 2024. Acquisitions of A Perfect Stay, Gundagai Holiday Park and Fresh Linen (**recent acquisitions**) were completed towards the end of calendar year ending 31 December 2022. LTM Dec-22 results and the FY23F forecasts does not reflect the full year performance of these recent acquisitions. The full year performance of all acquisitions is reflected in the updated FY24F projected performance.

As discussed in the section 3.5 above, Alloggio revised their FY24F post the trading update announcement of 17 May 2023. Our Original Draft IER was prepared based on forecasts that were prepared prior to the trading update.

Table 12: Revised forecast profit and loss statement for FY24F

$'000	12m 30-Jun-24
Revenue	45,670
Income	**45,670**
Direct labour costs	(5,282)
Other direct costs	(8,528)
Gross profit	**31,860**
Administrative	(2,926)
IT	(1,019)
Labour	(11,580)
Marketing	(740)
Occupancy	(1,224)
Total operating expenses	**(17,488)**
Other Income	40
EBITDA (before rent expense)	14,412
Rent expense reinstatement	(6,108)
Adjusted EBITDA	**8,303**

Source: Management forecasts for the year ending 30 June 2024

The revenue and adjusted EBITDA as per the revised FY24F forecasts (presented above) are c.$45.7 million and c.$8.3 million, as compared to the previous FY24F revenue of c.$49.7 million and adjusted EBITDA of c.$10.4 million.

Table 13: Revised forecast profit and loss statement for FY24F

$'m	FY24F - prior to trading update ($'m)	Revised FY24F ($'m)
Revenue	$49.7 million	$45.7 million
EBITDA (less rent expenses)	$10.4 million	$8.3 million

Source: Management forecasts pre and post the trading update

Similar to the Historical Period, we have deducted depreciation on ROU from the FY24F EBITDA of Alloggio.

Table 14: FY24F Adjusted EBITDA for BDOCF analysis

$'000	12m 30-Jun-24
EBITDA (before rent expense)	**14,412**
Less: Depreciation on ROU	(4,909)
Adjusted EBITDA for BDOCF analysis	**9,503**

Source: Management forecasts for the year ending 30 June 2024 and BDOCF analysis

Notes to the FY24F income statement are detailed below:

- Revenue is estimated to increase to c.$45.7 million, primarily on account of growth in the existing operations and additional revenue from A Perfect Stay, Gundagai Holiday Park, and Fresh Linen.
- Adjusted EBITDA is estimated to increase to c.$9.5 million during FY24F. Adjusted EBITDA is forecasted to be generated from the following sources:
  - c.$7.4 million from the existing business ($7.1 million in LTM Dec-22). The EBITDA for FY24F based on the forecasts prior to the trading update was c.$9.2 million. Due to the expected decline in the performance of the existing business (as discussed in section 3.5 above), the revised FY24F EBITDA forecasts have reduced to c.$7.4 million;
  - Additional EBITDA of c.$1.7 million generated from A Perfect Stay; and
  - c.$0.4 million EBITDA from the other acquisitions, including Gundagai Holiday Park

Revenue from the existing business is expected to increase from c.$36.6 million in LTM Dec-22 to c.$37.6 million in FY24F. This represents a growth of c.2.0% over the 18-month period. The normalised EBITDA margin is expected to remain consistent at c.19.8% in FY24F.

We have also reviewed the historical results of A Perfect Stay from FY19 to FY22. We note that the EBITDA for A Perfect Stay between FY19 to FY22 ranged between c.$1.5 million and c.$2.0 million. The forecast EBITDA contribution of c.$1.7 million in FY24F does not appear unreasonable.

Based on our review, we consider the FY24F EBITDA of c.$9.5 million to be appropriate for our analysis.

Forecast financial information is dependent on the outcome of many assumptions, some of which are outside the control of the Company. Assumptions relating to forecast financial information can be reasonable at the time of their preparation but can change materially over a relatively short time.

3.7. Historical Consolidated Statement of Financial Position

Presented below are Alloggio's historical statements of Financial Position as at 30 June 2021, 30 June 2022 and 31 December 2022.

Table 15: Historical statement of financial position

$'000	Notes	30-Jun-21	30-Jun-22	31-Dec-22
Cash and cash equivalents		362	3,957	2,815
Restricted cash held in trust	1	6,124	17,362	34,690
Trade and other receivables		882	1,856	3,976
Contract assets		23	20	552
Inventories		-	14	62
Other assets		283	555	947
Total current assets		**7,674**	**23,763**	**43,041**
Investment property		-	870	902
Property, plant and equipment		476	1,019	1,857
Right- of- use assets	2	29,873	40,428	39,401
Intangibles	3	9,511	25,113	38,850
Deferred tax		736	1,225	1,340
Other assets		66	250	368
Total non-current assets		**40,661**	**68,904**	**82,719**
Total assets		**48,336**	**92,668**	**125,760**
Trade and other payables		(1,248)	(1,567)	(2,516)
Contract liabilities		-	-	(613)
Borrowings		(1,184)	(73)	(600)
Lease liabilities		(2,572)	(3,794)	(4,526)
Income tax		(374)	(1,338)	(1,446)
Employee benefits		(188)	(573)	(781)
Provisions		-	-	(2,000)
Client trust account liabilities	1	(6,124)	(17,362)	(34,690)
Other current liabilities			(310)	(2,329)
Total current liabilities		**(11,690)**	**(25,018)**	**(49,502)**
Borrowings	4	(5,005)	(6,136)	(13,291)
Lease liabilities		(29,854)	(39,135)	(37,888)
Deferred tax		-	-	(2,506)
Employee benefits		(40)	(88)	(204)
Provisions		(214)	(1,036)	(1,036)
Other non-current liabilities		-	-	-
Total non-current liabilities		**(35,113)**	**(46,395)**	**(54,925)**
Total liabilities		**(46,803)**	**(71,413)**	**(104,427)**
Net assets	5	**1,533**	**21,255**	**21,333**

Source: Audited Financial Statements as at 30 June 2021, 30 June 2022, 31 December 2022 and Management accounts for 10 months ended 30 April 2023

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

1. Current assets have increased from c.$7.7 million in June 2021 to c.$43.0 million in December 2022. This is mainly due to the increase in restricted cash over this period. Restricted cash relates to the holiday home booking funds paid by guests in advance for their stay and is represented by an associated and equal liability under Client trust account. Cash held in restriction can only be used in accordance with the holiday home management agreement.
2. Right of use assets (**ROU assets**) relate to the Mixed Accommodation (Hotel) leases that are capitalised under IFRS 16. ROU assets have increased from c.$29.9 million in June 2021 to c.$39.4 million as at December 2022, primarily due to the acquisition driven expansion in mixed accommodations.

3. Intangibles have significantly increased from c.$9.5 million in June 2021 to c.$38.9 million in December 2022. This is due to the acquisitions made by Alloggio during this period. Details of the acquisitions are set out at Section 3.2.
4. Long term borrowings have increased from c.$5.0 million in June 2020 to c.$13.3 million in December 2022. This is largely driven by a loan facility of c.17.6 million taken out in FY22 to fund the acquisitions. The facility is an interest-only loan and has a 3-year term and will expire on 16 March 2025.
5. Net assets have increased from c.$1.5 million in June 2021 to c.$21.3 million in December 2022. This growth is largely underpinned by the capital raise of $16.5 million through initial public offering and conversion of convertible notes (c.$2.2 million).

3.8. Capital structure

Details of Alloggio's shares and options on issue as at 31 December 2022 is outlined below.

Table 16: Alloggio securities

	Total securities
Fully paid ordinary shares	200,730
Options	13,000

Source: Audited half-yearly report for 31 December 2022 and Management information

3.9. Ownership

As at 31 December 2022, Alloggio has c.200.7 million fully paid ordinary shares on issue. The top 20 shareholders collectively own c.63.2% of Alloggio's shares. In the table below, we have highlighted the shares held by the Founding Shareholders.

Table 17: Alloggio's top 20 shareholders

Shareholder	Current shares	% of total shares
Davkat (Australia) Pty Ltd - Bandon Trust	46,929,510	23.4%
JP Morgan Nominees Australia Pty Limited	22,401,182	11.2%
Bubbles 1 Pty Ltd - Karen Howard Family Trust	10,941,290	5.5%
Allegro Capital Nominees Pty Ltd - Allegro Capital A/ C	7,500,000	3.7%
Realm Group Pty Ltd	3,571,500	1.8%
Richard Albarran - Albarran Family A/ C No 2	3,571,429	1.8%
Ubs Nominees Pty Ltd	3,460,234	1.7%
Imaginate Superannuation Pty Ltd - Sneddon S/ F	3,214,350	1.6%
Christopher Sneddon Pty Ltd - Christopher Sneddon Family A/C	3,214,350	1.6%
Richvale Pty Ltd	3,142,857	1.6%
Drew Townsend - Townsend Family A/ C	2,488,096	1.2%
Tuwele Pty Ltd - Rosella Superannuation/ C	2,321,429	1.2%
Denol Pty Ltd - Denol S/ F A/ C	2,250,000	1.1%
Thomas Mautner Pension Pty Ltd - Thomas Mautner P/ F A/ C	2,000,000	1.0%
Xi Victor Lincoln Liu	1,819,084	0.9%
Kalonda Pty Ltd - Leibowitz Super Fund A/ C	1,750,000	0.9%
Geoff & Maureen Barnett	1,666,667	0.8%
Mr Drew Anthony Townsend - Townsend Family A/ C	1,607,143	0.8%
Hsbc Custody Nominees (Australia) Limited	1,526,786	0.8%
Kenney Family Investments Pty Ltd - Kenney Family Trust	1,428,572	0.7%
Top 20 shareholders	**126,804,479**	**63.2%**
Other shareholders	73,925,542	36.8%
Total shares on issue prior to the Proposed Scheme	**200,730,021**	**100.0%**

Source: Audited half-yearly report for 31 December 2022 and Management information

3.10. Other securities

As at 31 December 2022, Alloggio had 13 million total options outstanding, which expire on 25 November 2026.

Table 18: Alloggio's options summary

Grant date	Total options ('000)	Exercise price ($)	Expiry date	Total value of exercise price ($'000)
25-Nov-21	11,000	$ 0.30	25-Nov-26	3,300
23-Jun-22	2,000	$ 0.14	25-Nov-26	280
	13,000			**3,580**

Source: Audited half-yearly report for 31 December 2022 and Management information

4. PROFILE OF NEXT CAPITAL

4.1. Overview

Established in 2005, Next Capital Pty Ltd is an Australian private equity firm with a focus on lower mid-market buyout opportunities with Enterprise Values of between A$50 million – A$200 million. The firm specialises in partnering with owners and managers of businesses to assist them in accelerating growth, expansion and small and mid-market buyouts.

The partners of Next Capital have over 70 years of combined private equity experience and have completed over 70 transactions across both Next Capital and during their time at the private equity business of Macquarie Group in Australia, Macquarie Direct Investments.

Next Capital has previously invested in Discovery Holiday Parks which is Australia's largest caravan and cabin park owner, and Jucy campervan ("Jucy") which is primarily a car and campervan hire business and has made a follow-on acquisition of Jucy's motorhome business, Star RV Motorhome.

4.2. Board of directors of Next Capital

As at 27th April 2023, Next Capital has the following directors:

Table 19: Next Capital Board of directors

Name	Capacity
Patrick Elliott	Founding Partner
John White	Founding Partner
James Murphy	Partner
Bing Jiang	Partner

Source: Scheme Booklet

5. FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY

5.1. Fairness assessment overview

RG 111.11 indicates that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer.

Based on our interpretation of RG111.11, the Proposed Scheme is fair if the Scheme Consideration, being cash of $0.30 per Alloggio share, is equal to or greater than the FMV of an Alloggio share pre-transaction on a control basis.

Accordingly, we have undertaken an assessment of the value of an Alloggio share prior to the Proposed Scheme on a control basis.

The valuation methods commonly used to value businesses are considered below.

5.2. 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**)
- Quoted market price basis (**QMP**), and
- Recent capital transactions.

Set out below is a discussion around the valuation methods we consider appropriate for the purposes of undertaking our fairness assessment.

5.3. Selected valuation methods for Alloggio

Table 20: Selection of valuation methodology

Methodology	Appropriate for Alloggio	Explanation
QMP	✓	The QMP method represents the value that a Alloggio Shareholder can receive for a share if sold on the ASX. The QMP basis is a relevant methodology to consider because Alloggio shares are listed on the ASX. There is a regulated and observable market where Alloggio 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.
COE	✓	COE method is most commonly applicable to profitable businesses with steady growth history and forecasts. We note that Alloggio has a profitable history with increasing profitability resulting from recent acquisitions. We have assessed Alloggio's EBITDA in our valuation, on a normalised basis. The availability of Alloggio's normalised historical financial performance and forecast performance enable us to adopt the COE methodology.
DCF	×	Management has provided forecasts for the business on a consolidated basis to FY24F. However, considering the steady profitability at EBITDA level in the business both historically and in the forecasts, and the shares being listed in the ASX, we have adopted the COE and QMP methodologies as preferred methodologies over the DCF for our analysis.
NAV	×	The NAV approach considers the valuation of the net assets and is usually appropriate where the majority of assets consist of cash or passive investments, or where the business is under performing. Further, this method does not take into account any potential growth in the Alloggio business, which the QMP and COE valuation may reflect. Therefore, we have not applied the NAV approach.

5.4. Other valuation considerations

5.4.1. Future events

The business of Alloggio that we have considered is that which existed as at the date of this IER. Growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of our assessment.

5.4.2. 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. These synergies have been reflected in the value of Alloggio prior to the Proposed Scheme via the inclusion of a premium for control.

5.4.3. Control premium

Investment fundamentals dictate that the value of 100% of 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 100% of 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.

An acquirer of the Company could potentially reduce corporate overheads and realise synergies through the integration into their business while, at the same time, incurring one-off integration expenses.

We have analysed control premiums paid in the hotel and hotel management companies over the past 20 years as set out in the table below.

Table 21: Control premiums

Transaction closed date	Target	Buyer	Country	1D Stock premium	1W Stock premium	1M Stock premium
31-May-18	Mantra Group Limited	AAPC Limited	Australia	23.10%	23.44%	32.93%
02-Nov-17	Millennium & Copthorne Hotels New Zealand Limited	CDL Hotels Holdings New Zealand Limited	New Zealand	3.20%	3.20%	4.69%
14-Apr-15	Helloworld Limited	Sintack Pty Ltd.	Australia	32.00%	39.03%	49.72%
03-Jun-11	Oaks Hotels & Resorts Limited	Delicious Food Holding (Singapore) Pte. Ltd.	Australia	100.00%	121.29%	76.28%
08-Apr-11	Oaks Hotels & Resorts Limited	Lodging Management (Labuan) Limited	Australia	34.60%	48.91%	18.62%
17-Mar-11	Oaks Hotels & Resorts Limited	Lodging Management (Labuan) Limited	Australia	34.60%	48.91%	18.62%
09-Aug-10	Oaks Hotels & Resorts Limited	China Pacific Pty Ltd.	Australia	11.00%	5.97%	4.39%
12-Mar-07	Sundowner Motor Inns Ltd.	Lend Lease Corporation Limited (nka:Lendlease Group)	Australia	31.80%	45.00%	56.76%
27-Feb-07	Eumundi Group Limited	Axiom Properties Limited	Australia	15.40%	11.11%	13.21%
11-Dec-06	S8 Limited (nka:Helloworld Travel Limited)	MFS Ltd. (nka:Octaviar Limited)	Australia	39.20%	43.14%	43.14%
27-Sep-05	Webjet Limited	Thorney Investment Group Australia Pty. Ltd.	Australia	-13.60%	-9.46%	17.00%
10-May-05	BreakFree Limited (nka:Samarad Pty Ltd)	MFS Ltd. (nka:Octaviar Limited)	Australia	17.40%	17.92%	42.83%
29-Sep-04	BreakFree Limited (nka:Samarad Pty Ltd)	MFS Leveraged Investment Limited	Australia	10.90%	12.58%	19.79%
02-Sep-04	Burswood Limited	Publishing & Broadcasting Ltd. (nka:Consolidated Media Holdings Limited)	Australia	13.50%	14.38%	12.58%
24-Dec-03	BreakFree Limited (nka:Samarad Pty Ltd)	S8 Limited (nka:Helloworld Travel Limited)	Australia	1.80%	5.42%	1.84%
19-Nov-03	Hamilton Island Limited	Thakral Holdings Group	Australia	33.70%	35.98%	28.97%
22-Oct-03	Hamilton Island Limited	Voyages Hotels & Resorts Pty Ltd (nka:GPT Resorts Pty Ltd)	Australia	6.10%	7.88%	6.05%
08-Oct-03	BreakFree Limited (nka:Samarad Pty Ltd)	S8 Limited (nka:Helloworld Travel Limited)	Australia	2.20%	5.81%	2.21%
30-Sep-03	Burswood Limited	Publishing & Broadcasting Ltd. (nka:Consolidated Media Holdings Limited)	Australia	10.80%	10.79%	25.56%
Median				**15.40%**	**14.38%**	**18.62%**
Mean				**21.46%**	**25.86%**	**25.01%**

Source: CapitalIQ

Our results indicate that there is a significant spread in relation to discounts and premiums paid. The mean 1-day, 1-week, and 1-month premia range from 21.5% to 25.0% whereas the median indications range from 14.4% to 18.6%. We note the above transactions include premia paid for acquisition specific synergies therefore, we have adjusted our applied premium to account only for control.

Based on the above, we consider a control premium of 20% to be appropriate for Alloggio.

5.4.4. 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.

6. VALUATION OF ALLOGGIO USING THE QMP METHODOLOGY - PRIOR TO THE ORIGINAL PROPOSED SCHEME

In our analysis, we typically exclude all trading after the announcement of the Proposed Scheme to remove any impact the Proposed Scheme may have on the share price.

The Original Proposed Scheme was announced on Monday, 27 March 2023. 24 March 2023 was the last trading day before the announcement. As such, we have analysed the trading history of Alloggio for the 12 months up to 24 March 2023.

Alloggio's share price movements for the 12 months to 24 March 2023 are shown below.

6.1. Trading history twelve months to 24 March 2023

Set out below is the trading history of Alloggio over the twelve months to March 24 March 2023.

Figure 2: Monthly closing share price and trading volume (from 25 March 2022 to 24 March 2023)

Source: CapitalIQ

We note the following key movements from the chart above:

1. Alloggio 's share price reached a 52-week high close price of $0.265
2. Alloggio 's share price reached a 52-week low close price of $0.115
3. The largest daily trading volume was 3.95 million shares with the total value of $0.6m on 6 June 2022.

Set out below is a summary of the Company's price-sensitive announcements in the twelve months prior to 24 March 2023.

Table 22: Summary of price-sensitive announcements for the 12 months ending 24 March 2023

Date	Announcement	Share price 1 day before ($)	Share price 1 day after ($)	Change ($)	Change (%)
23-Feb-23	ALO 1H FY23 ASX Announcement	0.23	0.20	(0.03)	(13.0%)
1-Dec-22	Alloggio to Acquire A Perfect Stay	0.25	0.26	0.01	4.08%
25-Aug-22	ALO FY22 Management Presentation	0.16	0.17	0.01	6.45%
6-Jun-22	FY22 Guidance update	0.12	0.15	0.03	25.0%

Source: ASX website, Capital IQ and BDO analysis

6.2. Alloggio VWAP - Prior to the Original Proposed Scheme

The table below summarises the trading on the ASX between 25 March 2022 to 24 March 2023. Over the three months ended 24 March 2023, the total trading volume relative to shares on issue was relatively low with the total value of shares traded being $1.44 million. Over the six month period, the total value of trades was $4.35 million, with a 6 month VWAP of $0.212.

Table 23: VWAP for the 12 months ending 24 March 2023

Period	Price (Low) $	Price (High) $	Price (VWAP) $	Cumulative Value $m	Cumulative Volume m	% of Free float	% of issued capital
1 day	0.190	0.190	0.190	0.01	0.06	0.1%	0.0%
1 week	0.185	0.190	0.188	0.03	0.15	0.1%	0.1%
1 month	0.180	0.210	0.190	0.54	2.83	2.6%	1.4%
3 months	0.175	0.240	0.203	1.44	7.08	6.5%	3.5%
6 months	0.165	0.265	0.212	4.35	20.47	18.8%	10.2%
12 months	0.115	0.265	0.177	7.44	42.04	35.2%	20.9%

Source: Capital IQ, BDO analysis

6.3. FMV of a Alloggio share under the QMP method - Prior to the Original Proposed Scheme

We estimate the FMV of a Alloggio share per the QMP method to range from $0.19 to $0.21 on a minority basis. This is based on the 1 day to 6 months VWAP of trading in Alloggio share. As discussed in Section 5.4.3, we have applied a 20% control premium to conclude on the fair value of an Alloggio share on a controlling basis.

We note that the QMP of Alloggio share prior to the Original Proposed Scheme may also be impacted by the previous forecasts which were comparatively higher to the revised FY23F and FY24F forecasts.

Table 24: QMP conclusion

	Low	Mid	High
Quoted market price (on minority basis) ($)	0.19	0.20	0.21
Add: Control premium	20%	20%	20%
Quoted market price (on control basis) ($)	**0.23**	**0.24**	**0.25**

Source: Capital IQ, BDO analysis

7. VALUATION OF ALLOGGIO USING THE QMP METHODOLOGY - CONSULTATION PERIOD

On 17 May 2023, Alloggio announced a trading update, together with an update on the SID. The trading update released that due to lower than expected results for the month of April 2023 and lower anticipated performance for May 2023 and June 2023, Alloggio has revised the FY23F forecasts. This has been discussed in detail in section 3.5.

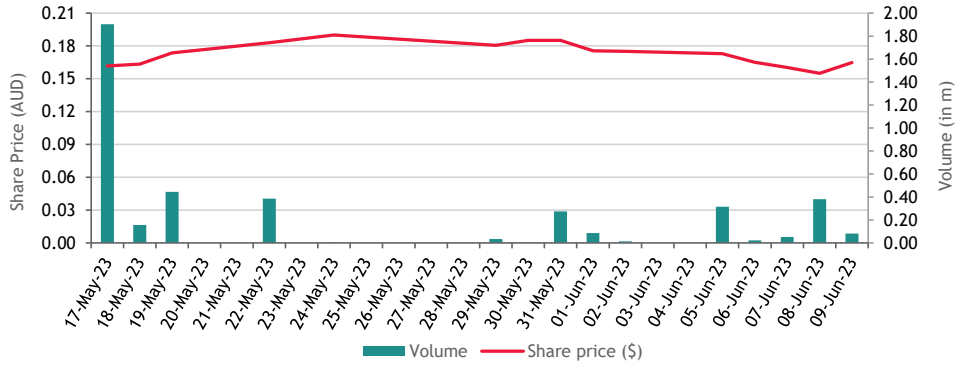
As a result of the revised FY23F forecasts, Next Capital advised that they were no longer able to service the Original Proposed Scheme and entered into the Consultation Period with Alloggio from 17 May 2023 till 13 June 2023. On 13 June 2023, Alloggio announced the Proposed Scheme, under which Next Capital revised the offer to $0.24 per share to the General ALO Shareholders to acquire 100% of the Alloggio shares.

We have analysed the Alloggio's share price movements during the Consultation Period from 17 May 2023 to 9 June 2023, being the last trading day before the announcement of the Proposed Scheme. We note that during the Consultation Period, the trading of Alloggio shares may have been influenced by the likelihood of Next Capital making a revised offer.

7.1. Trading during the Consultation Period

Set out below is the trading history of Alloggio over the period between 17 May 23 to 9 June 2023.

Figure 2: Daily closing share price and trading volume (from 17 May 2023 to 9 June 2023)



Source: CapitalIQ

We note that Alloggio's share price dropped from c.$0.27 to c.$0.17 on 17 May 2023 with the release of the trading update.

7.2. Alloggio VWAP - Consultation Period

Over the Consultation Period, the total trading volume relative to shares on issue was relatively low with the total value of shares traded being $0.7 million with a VWAP of $0.17 per share.

Table 25: VWAP during the Consultation Period

Period	Price (Low) $	Price (High) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of Free float	% of issued capital
1 day	0.160	0.165	0.165	0.01	0.08	0.1%	0.0%
1 week	0.155	0.165	0.157	0.08	0.53	0.5%	0.3%
23 days	0.145	0.190	0.167	0.69	4.14	3.8%	2.1%

Source: Capital IQ, BDO analysis

7.3. FMV of a Alloggio share under the QMP method - Consultation Period

We estimate the FMV of a Alloggio share during the Consultation Period per the QMP method to range between $0.16 to $0.19 on a minority basis. As discussed in Section 5.4.3, we have applied a 20% control premium to conclude on the fair value of an Alloggio share on a controlling basis.

Table 26: QMP conclusion

	Low	Mid	High
Quoted market price (on minority basis) ($)	0.16	0.175	0.19
Add: Control premium	20%	20%	20%
Quoted market price (on control basis) ($)	**0.19**	**0.21**	**0.23**

Source: Capital IQ, BDO analysis

8. VALUATION OF ALLOGGIO USING THE COE METHODOLOGY - 31 DECEMBER 2022

We have assessed the FMV of Alloggio on a control basis prior to the Proposed Scheme using the COE method.

We assessed the historical earnings of Alloggio to estimate the future maintainable earnings (**FME**).

The selected FME has then been capitalised using a market based multiple to conclude on an enterprise value range. To arrive at a per share value, the enterprise value has been adjusted for cash, debt and debt-like items and the total equity value is divided by the total shares on issue.

As discussed in section 3.2, Alloggio has completed a number of acquisitions between December 2021 and December 2022. Acquisition of Fresh Linen and A Perfect Stay were completed in November 2022 and December 2022, respectively. The EBITDA for LTM Dec-22 does not include the earnings from these acquisitions for a significant part of the year. Therefore, we have included the purchase price associated with these two acquisitions as surplus assets in our valuation.

We consider that other acquisitions are reasonably reflected in the LTM Dec-22 results as they are either occurred at the beginning of the period or are smaller acquisition.

Set out in the following sections is the valuation assessment of Alloggio based upon the COE method using financial results for the 12 months ended 31 December 2022.

A summary of our valuation as per the COE methodology is set out below.

Table 27: FMV of an Alloggio Share under the COE method – LTM Dec-22

$'000	Ref	Low	Mid	High
FME: Adjusted EBITDA	8.1	7,116	7,116	7,116
Selected multiples	8.2	6.00x	6.50x	7.00x
Enterprise value of Alloggio		**42,695**	**46,253**	**49,811**
Add/(Less): Surplus assets/(liabilities)				
Cash & cash equivalents	8.3	2,815	2,815	2,815
Debt & debt like items	8.4	(13,291)	(13,291)	(13,291)
Cash proceeds from options	8.5	280	280	280
Recent acquisitions				
A Perfect Stay Pty Ltd	8.6	9,429	9,429	9,429
Fresh Linen	8.6	615	615	615
Equity value of Alloggio (Pre-Proposed Scheme)		**42,542**	**46,100**	**49,658**
Shares outstanding prior to the Proposed Scheme ('000)	8.7	202,730	202,730	202,730
Equity value per share of Alloggio (Pre-Proposed Scheme) ($)		**0.21**	**0.23**	**0.24**

Source: Management information, BDO analysis

8.1. Future maintainable earnings

Our selected FME is based on EBITDA. We have adopted underlying EBITDA as it allows comparison of companies with different gearing levels and amortisation/depreciation policies.

For the purpose of our analysis, we have calculated the Adjusted EBITDA for FY21, FY22 and LTM Dec-22, before the actual rent expenses but after adjusting the depreciation on right of use assets (**ROU**). We note that post the implementation of IFRS 16 Leases, majority of the companies listed on the stock exchange (other than companies under US GAAP) do not disclose the actual rent expense in the financial reports.

In order to maintain consistency between Alloggio's EBITDA and the EBITDA of the comparable companies listed in section 8.2, we have deducted depreciation on ROU from the reported EBITDA of Alloggio. The same approach has been adopted in calculating the EBITDA for the comparable companies.

The table below details our assessment of Alloggio's FME using the FY21, FY22 and LTM Dec-22 income statements.

Table 28: Alloggio summary of FME

$'000	Ref	12m 30-Jun-21	12m 30-Jun-22	12m 30-Jun-22
Reported EBITDA (before rent expense and normalisation adjustments)	**3.4**	**5,231**	**11,163**	**11,715**
Less: Depreciation on ROU		(2,790)	(4,206)	(4,645)
Adjusted EBITDA (before normalisation adjustments)		**2,441**	**6,957**	**7,070**
Add: IPO transaction costs	**3.4**	-	154	80
Less: Other non-operating income	**3.4**	(1,352)	(578)	(34)
Adjusted EBITDA for BDOCF analysis		**1,089**	**6,533**	**7,116**

Source: Audited Financial Statements for 30 June 2021, 30 June 2022 & 31 December 2022 and BDOCF analysis

Notes:

- We have added the IPO transaction costs incurred by Alloggio during FY22 and LTM Dec-22 as these are one-off/ non-recurring in nature.
- We have deducted the other non-operating income as it primarily relates to one-off Government payments in response to the COVID-19 measures.

As discussed in 3.2, Alloggio has completed multiple acquisitions between December 2021 and December 2022. Adjusted EBITDA for LTM Dec-22 reflects a significant amount of the earnings for most of the acquisitions as they either occurred

at the beginning of the period, or they were not significant acquisitions. The LTM Dec-22 Adjusted EBITDA does not fully reflect the earnings of A Perfect Stay or Fresh Linen as these acquisitions occurred towards the end of the period.

Based on these observations, we consider the Adjusted EBITDA of c.$7.1 million for LTM Dec-22 to be appropriate maintainable earnings for Alloggio excluding A Perfect Stay and Fresh Linen. The acquisition price of A Perfect Stay and Fresh Linen has been included separately in our valuation.

8.2. Selected multiples

The appropriate multiple is usually assessed by collecting market evidence with respect to the earnings multiples of companies with operations that are broadly comparable to those of the entity being valued. Such multiples are derived from:

- Trading and operational performance of comparable listed companies; and
- Prices achieved in mergers and acquisitions of comparable companies (usually reflecting a controlling interest status).

For the trading comparable company multiples, we have researched a range of broadly comparable companies that provide similar services and insights as Alloggio. We have analysed EBITDA multiples based on the share pricing of ASX listed companies which operates in:

- Hotels and short-term accommodations; and
- Hotel booking and management companies

These industries represent Alloggio's two primary operating segments. Additionally, we have also analysed the implied transaction multiples sourced from target mergers & acquisitions in the same industries. Set out in Appendix 5 are the descriptions of the operations of the identified companies.

The results of our analyses are set out in the tables below:

Table 29: Public comparable company trading multiples

Ticker	Company	Country	Industry	Market cap AUDm	EV/EBITDA FY	EV/EBITDA LTM	EV/EBITDA NTM
NasdaqGS:BKNG	Booking Holdings Inc.	USA	Hotel booking and management	142,357.7	19.8	18.9	16.5
NasdaqGS:ABNB	Airbnb, Inc.	USA	Hotel booking and management	116,070.9	30.7	30.5	26.7
NasdaqGS:TCOM	Trip.com Group Limited	USA	Hotel booking and management	34,470.4	19.8	7.1	2.6
NasdaqGS:EXPE	Expedia Group, Inc.	USA	Hotel booking and management	24,234.7	12.2	12.2	7.7
LSE:IHG	InterContinental Hotels Group PLC	UK	Hotels and short-term accommodation	17,545.7	17.7	17.7	12.1
NYSE:H	Hyatt Hotels Corporation	USA	Hotels and short-term accommodation	18,168.0	18.6	17.8	15.5
ENXTPA:AC	Accor SA	France	Hotels and short-term accommodation	13,746.5	17.8	17.8	13.4
NYSE:WH	Wyndham Hotels & Resorts, Inc.	USA	Hotels and short-term accommodation	9,057.4	14.6	14.9	14.0
SGX:H15	Hotel Properties Limited	Singapore	Hotels and short-term accommodation	2,240.4	28.2	28.2	n/a
SET:SHR	S Hotels and Resorts Public Company Limited	Thailand	Hotels and short-term accommodation	563.2	16.5	13.3	10.3
NYSE:BVH	Bluegreen Vacations Holding Corporation	USA	Hotels and short-term accommodation	845.7	5.2	5.0	9.9
NasdaqGS:SOND	Sonder Holdings Inc.	USA	Hotels and short-term accommodation	192.3	n/a	n/a	n/a
LSE:HSW	Hostelworld Group plc	UK	Hotel booking and management	287.0	n/a	n/a	11.7
NZSE:MCK	Millennium & Copthorne Hotels New Zealand Limited	New Zealand	Hotels and short-term accommodation	287.2	8.5	8.5	n/a
ASX:EBG	Eumundi Group Limited	Australia	Hotels and short-term accommodation	50.9	14.2	13.2	n/a
ASX:TCO	Transmetro Corporation Limited	Australia	Hotels and short-term accommodation	22.1	7.1	4.2	n/a
Mean				**23,758.8**	**16.5x**	**14.9x**	**12.8x**
Median				**5,648.9**	**17.1x**	**14.1x**	**12.1x**
Mean (small comparable companies)				**321.2**	**10.3x**	**8.8x**	**10.6x**
Median (small comparable companies)				**287.0**	**8.5x**	**8.5x**	**10.3x**
Min				**22.1**	**5.2x**	**4.2x**	**2.6x**
Max				**142,357.7**	**30.7x**	**30.5x**	**26.7x**

Source: S&P Capital IQ as at 31 December 2022 , BDO analysis

The EBITDA multiples for all the companies (based on the performance over the last twelve months (**LTM**) have a mean and median range of c.14.1x and c.14.9x. We consider the LTM multiples to be the most relevant as the comparable companies have reported their most recent statutory financials (with year ending 31 December 2022) which is reflected in the LTM multiples. The comparable company market capitalisations have been adjusted to include a 20.0% control premium.

Considering the size of Alloggio's operations, the Company's historical financial performance, and the Company's expected growth prospects, we consider companies with market capitalisation of less than $1.0 billion (**small comparable companies**) to be the most comparable companies to Alloggio. In general, smaller entities trade at lower multiples than larger entities

The mean and median LTM and FY EBITDA multiples of the small comparable companies ranges between c.8.5x and c.8.8x.

We have also observed the implied EBITDA multiples of mergers and acquisitions in Alloggio 's industry. Set out below are transaction multiples for comparable target companies.

Table 30: Comparable transaction multiples

Transaction closed date	Target	Buyer	Country	Implied EV (AUDm)	Implied EV/EBITDA
31/05/2018	Mantra Group Limited	AAPC Limited	Australia	1,304.2	13.0
2/09/2004	Burswood Limited	Publishing & Broadcasting Ltd. (nka:Consolidated Media Holdings Limited)	Australia	852.8	7.9
11/12/2006	S8 Limited (nka:Helloworld Travel Limited)	MFS Ltd. (nka:Octaviar Limited)	Australia	804.5	19.4
30/09/2003	Burswood Limited	Publishing & Broadcasting Ltd. (nka:Consolidated Media Holdings Limited)	Australia	727.8	9.4
31/05/2015	Ausco Martin Pty Limited	Sino Land Company Limited; Far East Land and Housing Development Company Pte. Ltd.	Australia	540.8	27.7
2/11/2017	Millennium & Copthorne Hotels New Zealand Limited	CDL Hotels Holdings New Zealand Limited	New Zealand	290.1	4.2
10/05/2005	BreakFree Limited (nka:Samarad Pty Ltd)	MFS Ltd. (nka:Octaviar Limited)	Australia	267.1	16.3
5/12/2013	Stayz Pty Limited	HomeAway Pty. Ltd.	Australia	202.6	15.9
19/11/2003	Hamilton Island Limited	Thakral Holdings Group	Australia	192.7	8.2
22/10/2003	Hamilton Island Limited	Voyages Hotels & Resorts Pty Ltd (nka:GPT Resorts Pty Ltd)	Australia	187.2	8.0
4/04/2019	Australian Alpine Enterprises Holdings Pty. Ltd	Vail Resorts, Inc.	Australia	178.9	8.8
30/06/2015	Perisher Blue Pty Limited	Vail Resorts, Inc.	Australia	176.6	8.8
29/09/2004	BreakFree Limited (nka:Samarad Pty Ltd)	MFS Leveraged Investment Limited	Australia	168.3	10.3
21/04/2009	The Westin Melbourne	TA Dotcom Sdn. Bhd.	Australia	160.0	13.1
3/06/2011	Oaks Hotels & Resorts Limited	Delicious Food Holding (Singapore) Pte. Ltd.	Australia	158.3	5.3
9/08/2010	Oaks Hotels & Resorts Limited	China Pacific Pty Ltd.	Australia	141.2	5.7
17/03/2011	Oaks Hotels & Resorts Limited	Lodging Management (Labuan) Limited	Australia	128.8	4.3
24/12/2003	BreakFree Limited (nka:Samarad Pty Ltd)	S8 Limited (nka:Helloworld Travel Limited)	Australia	100.3	9.7
12/03/2007	Sundowner Motor Inns Ltd.	Lend Lease Corporation Limited (nka:Lendlease Group)	Australia	75.9	13.8
18/02/2015	Helloworld Limited	Sintack Pty Ltd.	Australia	57.5	3.9
27/02/2007	Eumundi Group Limited	Axiom Properties Limited	Australia	39.6	10.7
30/06/2016	Balgownie Estates Pty Ltd, a resort	Ensure Profit Limited	Australia	5.8	3.4
Mean				**307.3**	**10.4x**
Median				**177.8**	**9.1x**
Min				**5.8**	**3.4x**
Max				**1,304.2**	**27.7x**

Source: S&P Capital IQ and BDOCF analysis

The comparable transaction EBITDA multiples ranges between 3.4x to 27.7x with a median of 9.1x. We consider these multiples to be on a controlling basis.

We have considered the public company trading multiples and comparable transaction multiples in our selection of an appropriate multiple for Alloggio. Key factors we have considered include:

- Mean and median EBITDA trading multiples of small comparable companies range is c.8.5x and c.8.8x, across LTM
- Median EBITDA transaction multiple of all the acquisitions is 9.1x
- We have considered Alloggio's smaller size and potential scalability compared to the public comparable companies.
- Alloggio's recent trading update and the expected decline in performance between the 12 months compared to 31 December 2022 and 1the 12 months to 30 June 2023

we consider a range of 6.0x and 7.0x for LTM Dec-22 EBITDA multiple to be appropriate for Alloggio.

Table 31: Selected FME multiples

	Low	Mid	High
EV/EBITDA multiple	6.0x	6.5x	7.0x

Source: CapitalIQ and BDOCF analysis

In our Original Draft IER, we selected a multiple of between 7.0x and 8.0x. We have selected a lower multiple in this Report based on Alloggio's expected decrease in performance subsequent to 31 December 2022. Refer section 3.5 for further details on the trading update

8.3. Cash and cash equivalents

As at 31 December 2022 (most recent audited balance sheet), Alloggio has an unrestricted cash balance of c.$2.8 million primarily cash on bank. We have included this as part of the surplus asset.

8.4. Debt and debt like items

As at 31 December 2022, Alloggio has outstanding debt of c.$13.3 million including senior loan facilities with the Commonwealth bank of Australia (**CBA**) with a limit of c.$17.7 million.

8.5. Cash proceeds from options

Alloggio has a total 13.0 million options outstanding.

11.0 million options have an exercise price of $0.30 per share and the remaining 2.0 million options have an exercise price of $0.14 per share.

The Scheme Consideration per share is $0.24. Based on this value, we would expect only the options with exercise price of $0.14 to be converted. As such, we have added the option proceeds amounting to $280.0k on account of exercise of these options.

The table below displays the terms of the options:

Table 32: Alloggio's options to be exercised prior to the Proposed Scheme

Grant date	Total options ('000)	Exercise price ($)	Expiry date	Total value of exercise price ($'000)
23-Jun-22	2,000	$ 0.14	25-Nov-26	280
	2,000			**280**

Source: Management information, BDO analysis

8.6. Recent acquisitions

EBITDA for LTM Dec-22 does not reflect the full year earnings of A Perfect Stay and Fresh Linen, as the acquisitions were completed in December 2022 and November 2022, respectively. As such, we have added the purchase price of these two acquisitions as surplus assets, in our analysis.

1. A Perfect Stay Pty Ltd

A Perfect Stay specialises in short-term rental accommodation with approximately 270 holiday properties in the key tourism destination areas including Byron Bay, Gold Coast and Melbourne.

In December 2022, Alloggio completed the acquisition of A Perfect Stay for a total consideration of c.$11.4 million. Of this purchase price, c.$2.0 million is an earnout payment, payable in two tranches of 6 months and 12 months post completion, subject to achieving the Gross Booking Value (**GBV**) of c.$25.1 million by 1 December 2023.

Post the release of the trading update on 17 May 2023, we understand that due to the weaker booking pattern in April 2023, Alloggio has estimated that the performance of A Perfect Stay will be negatively impacted.

Further, the first tranche of the earnout payment of $1.0 million will not be payable as the earn-out milestone (**GBV**) has not been met. Considering the negativity in the current market, it is highly unlikely that the second tranche of $1.0 million will also be paid.

2. Fresh Linen

During November 2022, Alloggio also acquired business and assets of Fresh Linen for a cash consideration of c.$0.6 million.

Full year earnings relating to the above acquisitions are not reflected in the Alloggio's FME as at 31 December 2022. As such, we have added the acquisition price of c.$9.4 million (subject to no payout in relation to the earnout consideration of $2.0 million) in relation to A Perfect Stay and c.$0.6 million in relation to Fresh Linen as surplus assets to our analysis.

8.7. Shares outstanding prior to the Proposed Scheme

As at 31 December 2022, Alloggio has c.200.7 million fully paid ordinary shares and 13.0 million options on issue.

We expect that two million options which have an exercise price of $0.14 will convert into ordinary shares of Alloggio, immediately prior to the Proposed Scheme.

We have determined a total of c.202.7 million shares on issue prior to the Proposed Scheme.

Table 33: Alloggio's shares prior to the Proposed Scheme

	Total securities
Fully paid ordinary shares ('000)	200,730
Shares to be issued on exercise of options	2,000
Total shares on issue prior to the Proposed Scheme ('000)	**202,730**

Source: Management information, BDO analysis

9. VALUATION OF ALLOGGIO USING THE COE METHODOLOGY - 30 JUNE 2024

Alloggio has made multiple acquisitions between December 2021 and December 2022.

Alloggio also completed the acquisition of a laundry business Fresh Linen for c.$0.6 million and A Perfect Stay for $9.4 million (subject to no payout in relation to the earnout consideration of $2.0 million), during November 2022 and December 2022, respectively. Gundagai Holiday Park was integrated in a form of management agreement.

In order to include the full year earnings of these acquisitions along with the performance of the ongoing business, we have also assessed the FMV of an Alloggio share under COE method using the forecast earnings for the year ending 30 June 2024.

A summary of our valuation as per the COE methodology using the forecast earning for FY24F is set out below.

Table 34: Alloggio COE valuation based on forecasted EBITDA for the Financial year ended 30 June 2024.

$'000	Ref	Low	Mid	High
FME: Adjusted EBITDA	9.1	9,503	9,503	9,503
Selected multiples	9.2	5.5x	6.0x	6.5x
Enterprise value of Alloggio		**52,265**	**57,016**	**61,767**
Add/(Less): Surplus assets/(liabilities)				
Cash & cash equivalents	9.3	2,815	2,815	2,815
Debt & debt like items	9.4	(13,291)	(13,291)	(13,291)
Cash proceeds from options	9.5	280	280	280
Equity value of Alloggio (Pre-Proposed Scheme)		**42,717**	**47,468**	**52,220**
Shares outstanding prior to the Proposed Scheme ('000)	9.6	202,730	202,730	202,730
Equity value per share of Alloggio (Pre-Proposed Scheme) ($)		**0.21**	**0.23**	**0.25**

Source: Management forecasts for FY24F, BDO analysis

9.1. Future maintainable earnings

As discussed in section 3.6, FY24F Adjusted EBITDA of c.$9.5 million primarily comprises:

- c.$7.4 million from the existing business;
- Additional EBITDA of c.$1.7 million generated from A Perfect Stay; and
- c.$0.4 million from the other acquisitions, including Gundagai Holiday Park

We have reviewed the historical results of A Perfect Stay and note that the historical EBITDA from FY19 to FY22 ranges between c.$1.5 million and c.$2.0 million. As such, the EBITDA contribution of c.$1.7 million does not appear to be unachievable by A Perfect Stay during FY24F.

Overall, nothing has come to our attention that the EBITDA for FY24F of c.$9.5 million, which includes the full year performance of the recent acquisitions, is unreasonable.

As such, our selected FME is based on Adjusted EBITDA of c.$9.5 million for the forecast year ending 30 June 2024.

Forecast financial information is dependent on the outcome of many assumptions, some of which are outside the control of the Company. Assumptions relating to forecast financial information can be reasonable at the time of their preparation but can change materially over a relatively short time.

9.2. Selected multiple

In section 8.2 we have analysed multiples of listed comparable entities, and from merger and acquisition transaction. In this section we have assessed the next twelve months (**NTM**) earnings multiples of the comparable companies.

Table 35: Public comparable company trading multiples

Ticker	Company	Country	Market cap AUDm	EV/EBITDA LTM	EV/EBITDA NTM	LTM vs NTM multiple
NasdaqGS:BKNG	Booking Holdings Inc.	USA	142,357.7	18.9	16.5	-12.5%
NasdaqGS:ABNB	Airbnb, Inc.	USA	116,070.9	30.5	26.7	-12.3%
NasdaqGS:TCOM	Trip.com Group Limited	USA	34,470.4	7.1	2.6	-63.2%
NasdaqGS:EXPE	Expedia Group, Inc.	USA	24,234.7	12.2	7.7	-37.1%
LSE:IHG	InterContinental Hotels Group PLC	UK	17,545.7	17.7	12.1	-31.4%
NYSE:H	Hyatt Hotels Corporation	USA	18,168.0	17.8	15.5	-12.8%
ENXTPA:AC	Accor SA	France	13,746.5	17.8	13.4	-24.7%
NYSE:WH	Wyndham Hotels & Resorts, Inc.	USA	9,057.4	14.9	14.0	-6.0%
SGX:H15	Hotel Properties Limited	Singapore	2,240.4	28.2	n/a	n/a
SET:SHR	S Hotels and Resorts Public Company Limited	Thailand	563.2	13.3	10.3	-23.0%
NYSE:BVH	Bluegreen Vacations Holding Corporation	USA	845.7	5.0	9.9	n/a
NasdaqGS:SOND	Sonder Holdings Inc.	USA	192.3	n/a	n/a	n/a
LSE:HSW	Hostelworld Group plc	UK	287.0	n/a	11.7	n/a
NZSE:MCK	Millennium & Copthorne Hotels New Zealand Limited	New Zealand	287.2	8.5	n/a	n/a
ASX:EBG	Eumundi Group Limited	Australia	50.9	13.2	n/a	n/a
ASX:TCO	Transmetro Corporation Limited	Australia	22.1	4.2	n/a	n/a
Mean			**23,758.8**	**14.9x**	**12.8x**	**-24.8%**
Median			**5,648.9**	**14.1x**	**12.1x**	**-23.0%**
Mean (small comparable companies)			**321.2**	**8.8x**	**10.6x**	
Median (small comparable companies)			**287.0**	**8.5x**	**10.3x**	
Min			**22.1**	**4.2x**	**2.6x**	
Max			**142,357.7**	**30.5x**	**26.7x**	

Source: S&P Capital IQ as at 14 June 2023, BDO analysis

The NTM EBITDA multiples for all the companies have an average and median range of c.12.1x and c.12.8x. We note that S&P Capital IQ does not disclose forecast earnings for the majority of the small comparable companies.

We have also assessed the NTM multiples for the smaller businesses by assessing the reduction in NTM multiples for entities that have both NTM and LTM multiple. NTM multiples are generally lower than LTM multiples as the forecast earnings are generally expected to be higher than historical earnings.

The median and average decline in the NTM EBITDA multiple as compared to the LTM EBITDA multiple ranges between c.23.0% and c.24.8%.

Based on our analysis above and the public company trading multiples, and in particular that:

- Mean and median EBITDA trading multiples of small comparable companies range is c.8.5x and c.8.8x, across LTM
- Median EBITDA transaction multiple of all the acquisitions is 9.1x
- We have considered Alloggio's smaller size and potential scalability compared to the public comparable companies.
- Alloggio's recent trading update

we consider a range of 5.5x and 6.5x for NTM EBITDA multiple to be appropriate for Alloggio.

Table 36: Selected FME multiples

	Low	Mid	High
NTM EV/EBITDA multiple	5.5x	6.0x	6.5x

Source: CapitalIQ and BDOCF analysis

In our Original Draft IER we selected a multiple between 6.0x and 7.0x. We have selected a lower multiple in this Report based on Alloggio's expected decrease in performance. Refer section 3.5 for further details on the trading update.

9.3. Cash and cash equivalents

As at 31 December 2022, Alloggio has an unrestricted cash balance of c.$2.8 million primarily cash on bank. We have included this as part of the surplus asset.

9.4. Debt and debt like items

As at 31 December 2022, Alloggio has outstanding debt of c.$13.5 million including senior loan facilities with the Commonwealth bank of Australia with a limit of c.$17.7 million.

9.5. Cash proceeds from options

Alloggio has a total 13.0 million options outstanding.

11.0 million options have an exercise price of $0.30 per share and the remaining 2.0 million options have an exercise price of $0.14 per share.

The Scheme Consideration per share is $0.24. Based on this value, we would expect only the options with exercise price of $0.14 to be converted. As such, we have added the option proceeds amounting to $280.0k on account of exercise of these options.

The table below displays the terms of the options:

Table 37: Alloggio's options to be exercised prior to the Proposed Scheme

Grant date	Total options ('000)	Exercise price ($)	Expiry date	Total value of exercise price ($'000)
23-Jun-22	2,000	$ 0.14	25-Nov-26	280
	2,000			**280**

Source: Management information, BDO analysis

9.6. Shares outstanding prior to the Proposed Scheme

As at 31 December 2022, Alloggio has c.200.7 million fully paid ordinary shares and 13.0 million options on issue.

We expect that two million options which have an exercise price of $0.14 will convert into ordinary shares of Alloggio, immediately prior to the Proposed Scheme.

We have determined a total of c.202.7 million shares on issue prior to the Proposed Scheme.

Table 38: Alloggio's shares prior to the Proposed Scheme

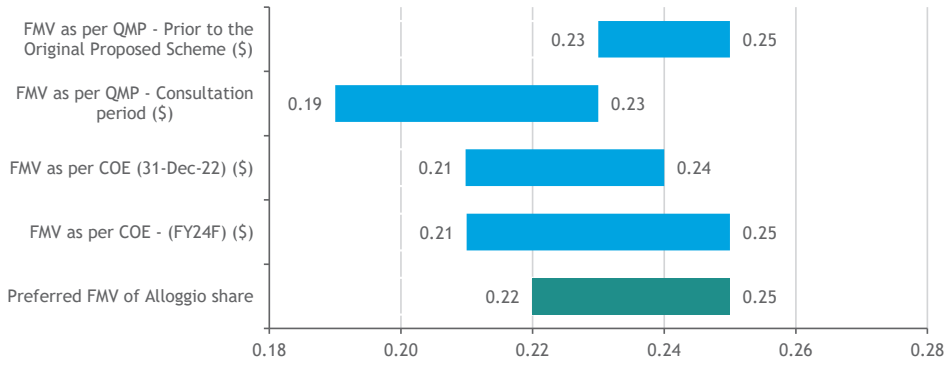
	Total securities
Fully paid ordinary shares ('000)	200,730
Shares to be issued on exercise of options	2,000
Total shares on issue prior to the Proposed Scheme ('000)	**202,730**

Source: Management information, BDO analysis

10. CONCLUSION AS TO THE FMV OF ALLOGGIO PRIOR TO THE PROPOSED SCHEME

A summary of our valuations is set out below.

Figure 3: Summary of the FMV of a Alloggio share as per the QMP and COE methodologies



Source: BDOCF analysis

Table 39: Alloggio FMV Summary

Methodology	Ref	Low	High
FMV of Alloggio share using QMP method - Prior to the Original Proposed Scheme (on control basis)	6.3	$ 0.23	$ 0.25
FMV of Alloggio share using QMP method - Consultation Period (on control basis)	7.3	$ 0.19	$ 0.23
FMV of Alloggio share using COE method - 31 Dec 2022 (on control basis)	8	$ 0.21	$ 0.24
FMV of Alloggio share using COE method - FY24F (on control basis)	9	$ 0.21	$ 0.25
Preferred value of Alloggio share - prior to the Proposed Scheme		**$ 0.22**	**$ 0.25**

Source: BDOCF analysis

We have adopted the COE method (on control basis) over the QMP method, as our preferred value for a Alloggio share. The QMP approach is limited by the lower trade volumes observed in the Alloggio trading history. Over the three months ended 24 March 2023, the total value of trades were $1.4 million (c.7.1 million shares traded). The COE method also reflects the highest assessed value of an Alloggio share.

Based on our analysis above, we consider a preferred FMV range of $0.23 to $0.25 to be appropriate for a Alloggio share, on a control basis, prior to the implementation of the Proposed Scheme. Our preferred range falls towards the mid-point and the upper end of the FMV using COE method.

11. FAIRNESS ASSESSMENT

Our analysis has been performed by comparing the value of:

- The FMV of an Alloggio share prior to the Proposed Scheme on a control basis; and
- The value of the Scheme Consideration, being c.$0.24 per share.

The Proposed Scheme will be fair if the Scheme Consideration is equal to or greater than the FMV of an Alloggio share prior to the announcement of the Proposed Scheme, on a controlling interest basis.

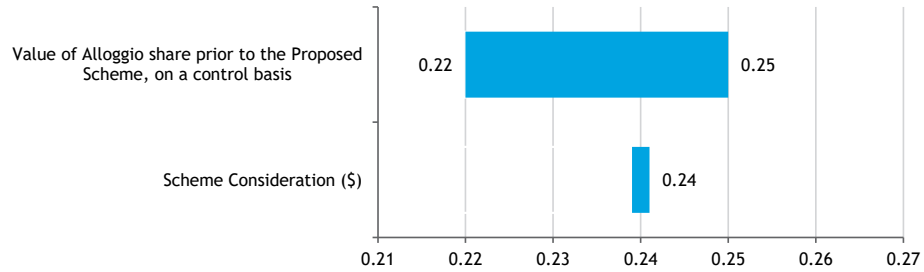
The result of our fairness analysis is summarised below.

Table 40: Fairness summary

$	Low	High
Value of Alloggio share prior to the Proposed Scheme, on a control basis	0.22	0.25
Scheme Consideration ($)	0.24	0.24

Source: BDOCF analysis

Figure 4: Fairness summary



Source: BDOCF analysis

As set out above, the Scheme Consideration of $0.24 per share falls towards the upper end of our assessed FMV range of a Alloggio share prior to the Proposed Scheme (on a control basis).

Therefore, we have concluded that the Proposed Scheme is fair to the General ALO 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.

BDOCF prepared the Original Draft IER dated 8 May 2023 in relation to the Original Proposed Scheme, announced on 27 March 2023. The Original Draft IER concluded that the consideration payable by Next Capital to the General Shareholders (being cash of $0.30 per Alloggio share) was fair and reasonable, and therefore in the best interest of General ALO Shareholders in the absence of a superior offer. The Original Draft IER was prepared based on the information available prior to Alloggio's trading update of 17 May 2023. The Original Draft IER was also shared with the IBC.

In addition to the information considered in the Original Draft IER, BDOCF has also considered the following information in this Report:

h. The trading update provided to the ASX on 17 May 2023 (Section 3.5)

i. Management accounts for the period to 30 April 2023 (Section 3.5)

j. Revised forecasts for the year ending 30 June 2024 (**FY24F**) (including analysis and details of significant changes since the forecasts provided for the Original Draft IER) (Section 3.6)

k. Updated EBITDA trading and transaction multiples for the comparable companies (Section 8.2 and 9.2)

l. Trading of Alloggio shares on the ASX post the announcement of trading update (Section 7)

m. The Scheme booklet

n. Discussions with IBC

12. REASONABLENESS ASSESSMENT

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

Nevertheless, we have set out below a summary of other factors we consider relevant in assisting the General ALO Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

Table 41: Summary of factors considered in the reasonableness assessment

Advantages	
The Proposed Scheme is fair	Our analysis concluded that the Proposed Scheme is fair to the General ALO Shareholders.
The Scheme Consideration represents a premium to Alloggio 's volume weighted average price (**VWAP**)	The Scheme Consideration of $0.24 per share represents a: - c.27% premium to the 1-month VWAP of $0.19; - c.18% premium to the 3 months VWAP of $0.20; and - c.13% premium to the 6 months VWAP of $0.21. The VWAPs above are calculated up to 24 March 2023 being the last trading date prior to the announcement of the Original Proposed Scheme. We have also analysed the ASX trading of Alloggio shares between 17 May 2023 and 12 June 2023, being the Consultation Period. This period reflects the time between the announcement of trading update and the announcement of the Proposed Scheme. The VWAP of an Alloggio share for the Consultation Period was $0.17. The Scheme Consideration of $0.24 per share represents c.41% premium to the VWAP for the Consultation Period.
Certainty of the cash consideration	The Proposed Scheme involves the acquisition of Alloggio shares for cash consideration of $0.24 per share. Cash consideration offers certainty of return and provides General ALO Shareholders with an opportunity to utilise the cash for other purposes including alternative investments. Given the relatively low level of liquidity in the trading of Alloggio shares (refer section 6.1 and 6.2), receiving cash may be a benefit to the General ALO Shareholders. In particular, those who hold large parcels of shares may have difficulty selling their shares on the market, and in the event that they are able to sell, they may cause the quoted market price to fall.
No longer exposed to any risks associated with being a General ALO Shareholder	A cash offer represents a lower risk alternative to holding shares in Alloggio which provides exposure to general market volatility as well as risks specific to Alloggio. One of the risks associated with Alloggio's operations is the proposed recommendation that a 60-day cap to be applied to non-hosted STRA in the Byron Shire. (Refer section 3.1.1 for details). If the Proposed Scheme is approved, General ALO Shareholders will no longer be exposed to any risks associated with holding shares in Alloggio.
Possible decline in Alloggio trading price if the Proposed Scheme is rejected	If the Proposed Scheme is rejected, there may be a decline in Alloggio's share price. Prior to the Original Proposed Scheme, Alloggio's 1-month and 3-month VWAP were $0.19 per share and $0.20 per share, respectively. During the Consultation Period, The VWAP of Alloggio's shares declined to $0.17 per share. We note that this trading may have been influenced by the likelihood of Next Capital making a revised offer. If the Proposed Scheme is rejected, and in the absence of an alternative offer, Alloggio shares may trade at levels below the trading that occurred during the Consultation Period.
Disadvantages	
Inability to participate in the potential upside of Alloggio 's operations	If the Proposed Scheme is approved, the General ALO Shareholders will no longer have any equity interest in Alloggio and will not participate in the potential upside from Alloggio's trading operations going forward.
Other considerations	
Tax implications	If the Proposed Scheme is approved, General ALO Shareholders will dispose of their shares for $0.24 each. This may crystalize a taxable gain or loss for the General ALO Shareholders.

Source: BDOCF analysis

13. CONSIDERATION OFFERED TO THE FOUNDING SHAREHOLDERS

The Founding Shareholders together hold approximately 28.9% of Alloggio's shares, prior to the Proposed Scheme. The Founding Shareholders have been offered shares in ALO Holdco as consideration for the Alloggio shares they control. The General ALO Shareholders have been offered cash consideration of $0.24 for each Alloggio share.

As the Founding Shareholders are receiving different consideration to the General ALO Shareholders, we have assessed whether the consideration offered to the Founding Shareholders is favourable compared to the consideration offered to General ALO Shareholders.

The Founding Shareholders will receive one share in ALO Holdco as consideration for each share they hold in Alloggio.

ALO Holdco is a special purpose vehicle created by Next Capital for the acquisition of Alloggio. Immediately prior to the Proposed Scheme, ALO Holdco is 100% owned by Next Capital and its proforma balance sheet is as follows:

Table 42: Proforma balance sheet of ALO Holdco

($'000)	Notes	Total
Cash and cash equivalents	1	37,840
Total assets		**37,840**
Trade and other payables	2	(2,854)
Next Capital transaction liabilities	3	(3,554)
Total liabilities		**(6,408)**
Net assets		**31,432**
Total shares on issue ('000)	4	142,859
Net asset value per share ($)		**0.22**

Source: Management Information

Notes to the above statement of Proforma financial results are detailed below:

1. Proforma cash and cash equivalents of c.$37.8 million comprises of:
   - equity committed from Next Capital by subscribing 142.9 million shares at an issue price of $0.24 per share; and
   - issue of convertible notes to fund the Proposed Scheme transaction expenses, management options and cash buffer.
2. Trade and other payables include the indicative transaction expenses of $2.9 million in relation to the Proposed Scheme.
3. Next Capital transaction liabilities relates to the funding of Proposed Scheme transaction expenses, acquisition of 2.0 million management options and the maintenance of cash buffer.
4. Total shares on issue comprises of 142.9 million shares to be issued to Next Capital for the committed equity of c.$34.3 million.

Immediately prior to the Proposed Scheme, the net asset value of ALO Holdco is $0.22 per share.

Next Capital has acquired shares in ALO Holdco for $0.24. These shares are the same class of shares that will be issued as consideration to the Founding Shareholders.

Therefore, we conclude that the value of each ALO Holdco share offered to the Founding Shareholders is between c.$0.22 and $0.24, using the net asset approach, and the value paid by Next Capital for the same class of share.

13.1. Comparison of the consideration offered

The General ALO Shareholders have been offered cash consideration of $0.24 for each Alloggio Share they own.

The Founding Shareholders have been offered a share in ALO Holdco for each Alloggio share. We have valued each share in ALO Holdco to be between $0.22 and $0.24 in the section above.

Table 43: Summary comparison of consideration offered to the Founding Shareholders and General ALO Shareholders

$	Low	High
Value of each share in ALO Holdco offered to the Founding Shareholders ($)	0.22	0.24
Scheme Consideration offered to General ALO Shareholders ($)	0.24	0.24

Source: BDOCF analysis

Based on the above, we conclude that under the Proposed Scheme, the Founding Shareholders are not receiving a superior offer as compared to the consideration offered to General ALO Shareholders. The value of a ALO Holdco share, immediately prior to the implementation of the Proposed Scheme is not greater than the Scheme Consideration offered to the General ALO Shareholders.

13.2. Other advantages and disadvantages to the Founding Shareholders as a result of receiving shares as consideration

We have set out below a summary of reasonableness factors including advantages and disadvantages to the Founding Shareholders as a result of receiving shares as consideration.

Table 44: Summary of advantages and disadvantages

Advantages	
Tax relief on account of Rollover shares	If the Proposed Scheme is approved, the Founding Shareholders may be able to benefit from the capital gain tax (**CGT**) rollover relief and delay the payment of any CGT for a future date. General ALO Shareholders will dispose of their shares for $0.24 each. This may crystalise a taxable gain or loss.
Continued investment in the business	If the Proposed Scheme is approved, the Founding Shareholders will continue to have equity interest in Alloggio via ALO Holdco shares and will be able to participate in the potential upside from Alloggio's trading operations going forward. Founding Shareholders may benefit from the future dividends and value appreciation. General ALO Shareholders will receive cash and will no longer have an investment in Alloggio.
Disadvantages	
Exposure to risks associated with being a Alloggio Shareholder	As discussed above, the Founding Shareholders will continue to have equity interest in Alloggio via ALO Holdco shares. The Founding Shareholders will be exposed to the risks of the business including any potential reduction in the value of their shares.
Illiquid investment	Founding Shareholders will hold shares in ALO Holdco which will not be listed on the ASX. The shares in ALO Holdco are therefore less liquid, and the Founding Shareholders may not be able to significantly influence the timing of the conversion of their shares into cash.

Source: BDOCF analysis

14. OVERALL OPINION

We have considered the terms of the Proposed Scheme, as outlined in this Report, and have concluded that the Proposed Scheme is fair and reasonable, and therefore in the best interests of the General ALO Shareholders.

15. QUALIFICATIONS, DECLARATIONS AND CONSENTS

Qualifications

BDOCF is the licensed corporate finance arm of BDO Group Holdings Limited, Chartered Accountants and Business Advisers. 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.

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.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for Alloggio in relation to the Proposed Scheme. Further, BDOCF has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with Alloggio that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Scheme.

BDOCF will receive a fee of up to $80,000 plus Goods and Services Tax for the preparation of this IER. BDOCF will not receive any fee contingent upon the outcome of the Proposed Scheme, 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 Scheme.

A draft of this IER was provided to the IBC and their advisors for review of factual accuracy. Certain changes were made to the IER as a result of the circulation of the draft IER. However, no changes were made to the methodology, conclusions, or recommendations made to the General ALO Shareholders as a result of issuing the draft IER.

Disclaimer

This IER has been prepared at the request of the IBC 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 IBC and the General ALO Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the IBC and the General ALO Shareholders without the written consent of BDOCF. BDOCF accepts no responsibility to any person other than the IBC and the General ALO 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 IBC, executives and Management of the Company.

APPENDIX 1: GLOSSARY

Term	Definition
A$ or AUD	Australian dollars
ALO	Alloggio Group Limited
APES 225	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
BDOCF, we, our or us	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
Capex	Capital expenditure
COE	Capitalisation of maintainable earnings
Consultation period	Consultation period between 17th May 2023 to 22 May 2023, thereafter extended till 13th June 2023.
Corporations Act or Act	Corporations Act 2001
DCF	Discounted cash flow method
Directors	Directors of Alloggio Holdings Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Enterprise value
FME	Future maintainable earnings
FMV	Fair market value
FOS	Financial Ombudsman Service Limited
Founding Shareholders	Will Creedon and Karen Howard, who together hold a voting interest of approximately 28.9% of all Alloggio shares, prior to the Proposed Scheme
FSG	Financial Services Guide
FY19	Financial year ended/ending 30 June 2019
FY20	Financial year ended/ending 30 June 2020
FY21	Financial year ended/ending 30 June 2021
FY22	Financial year ended/ending 30 June 2022
FY23F	Forecast year ending 30 June 2023
FY24F	Forecast year ending 30 June 2024
GAAP	Generally Accepted Accounting Principles
General ALO Shareholders	All the shareholders of Alloggio other than the Founding Shareholders
IBC	Independent Board Committee, comprising of all the Directors and Alloggio Shareholders
IFRS	International Financial Reporting Standards
IPO	Initial public offering
k	thousand
Licence	Australian Financial Services Licence No: 247420
LTM Dec-22	Last twelve months ending 31 December 2022
m	million
Management	Management, Directors and other representatives of Alloggio
NAV	Net asset value
Next Capital	Next Capital Pty Ltd
Normalised EBITDA	EBITDA calculated by BDOCF for the purpose of the IER
NPAT	Net Profit after Tax
Original Draft IER	Draft Independent report prepared by BDOCF dated 08 May 2023
Original Proposed Scheme	Original proposed scheme of arrangement with Next Capital (cash consideration of $0.30 for each Alloggio share held)
Original SID	Original scheme implementation deed dated 27th March 2023
Proposed Scheme	The proposed scheme of arrangement with Next Capital
QMP	Quoted market price basis
RBA	Reserve Bank of Australia
Alloggio or the Company	Alloggio Holdings Limited
Report or IER	Independent Expert's Report
RG 60	ASIC Regulatory Guide 60: Schemes of arrangement
RG 111	ASIC Regulatory Guide 111 Content of expert reports

Term	Definition
RG 112	ASIC Regulatory Guide 112 Independence of experts
Scheme Booklet	Alloggio 's scheme booklet in relation to the Proposed Scheme, on or about the date of this Report
Scheme Consideration	The cash consideration of $0.24 per share of Alloggio outstanding
STRA	Short term rental accommodation
US$ or USD	US dollar
USA	United States of America
VWAP	Volume Weighted Average Price
VWAP – Consultation period	Volume Weighted Average Price during the consultation period

Source: BDOCF

APPENDIX 2: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

- Scheme Implementation Deed dated 27 March 2023
- Scheme Implementation Deed dated 13 June 2023
- Alloggio Annual Report FY20, FY21 & FY22
- Alloggio Half yearly results for 31 December 2021 & 31 December 2022
- Management accounts for 10 months ended 30 April 2023
- Management forecasts for Alloggio
- Alloggio Share Register as at 24 March 2022
- Public announcements
- Discussions with the Management of Alloggio
- Information sourced from CapitalIQ, www.xe.com.au and ASX
- 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 Alloggio, 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 target'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.

Recent Capital Transactions

The price of a recent capital raise can be used as a reliable indicator of value where:

- the equity was issued at 'arm's length' meaning included a willing buyer under no compulsion to buy and a willing seller under no compulsion to sell, each having knowledge of the relevant facts
- the equity was issued to new investors
- the transaction occurred no longer than 6 to 12 months prior to the valuation date.

Other Valuation Considerations

Future events

The business of Alloggio to be considered in this valuation is that which exists as at the current date.

Other growth potentials, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), are not within the scope of this valuation.

APPENDIX 4: TYPES OF VALUATION ENGAGEMENTS UNDER APES 225

- Valuation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time. Where a Member has entered into a Valuation Engagement but during the course of performing the Valuation Engagement the Member becomes aware of a limitation or restriction that, if it had been known at the time the Engagement or Assignment was entered into, would have made the Engagement or Assignment a Limited Scope Valuation Engagement, then the Valuation Engagement will become a Limited Scope Valuation Engagement.
- Limited Scope Valuation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the scope of work is limited or restricted. The scope of work is limited or restricted where the Member is not free, as the Member would be but for the limitation or restriction, to employ the Valuation Approaches, Valuation Methods and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time, and it is reasonable to expect that the effect of the limitation or restriction on the estimate of value is material. A limitation or restriction may be imposed by the Client or Employer or it may arise from other sources or circumstances. A limitation or restriction may be present and known at the outset of the Engagement or Assignment or may arise or become known during the course of a Valuation Engagement. A Limited Scope Valuation Engagement may also be referred to as a "restricted-scope valuation engagement" or an "indicative valuation engagement".
- Calculation Engagement means an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member and the Client or Employer agree on the Valuation Approaches, Valuation Methods and Valuation Procedures the Member will employ. A Calculation Engagement generally does not include all of the Valuation Procedures required for a Valuation Engagement or a Limited Scope Valuation Engagement.

APPENDIX 5: COMPARABLE COMPANY BUSINESS DESCRIPTION

Company Name	Business Description
Hyatt Hotels Corporation	Hyatt Hotels Corporation operates as a hospitality company in the United States and internationally. It operates through Owned and Leased Hotels, Americas Management and Franchising, ASPAC Management and Franchising, EAME/SW Asia Management and Franchising, and Apple Leisure Group segments. The company manages, franchises, licenses, owns, and leases portfolio of properties, consisting of full-service hotels and resorts, select service hotels, resorts, and other properties, including timeshare, fractional, residential, vacation, and condominium units. It operates its properties under the Park Hyatt, Grand Hyatt, Hyatt Regency, Hyatt, Hyatt Residence Club, Hyatt Place, Hyatt House, UrCove, Miraval, Alila, Andaz, Thompson Hotels, Hyatt Centric, Caption by Hyatt, The Unbound Collection by Hyatt, Destination by Hyatt, JdV by Hyatt, Hyatt Ziva, Hyatt Zilara, Zoëtry Wellness & Spa Resorts, Secrets Resorts & Spas, Breathless Resorts & Spas, Dreams Resorts & Spas, Hyatt Vivid Hotel & Resorts, Alua Hotels & Resorts, and Sunscape Resorts & Spas brands. The company primarily serves corporations; national, state, and regional associations; specialty market accounts, including social, government, military, educational, religious, and fraternal organizations; travel agency and luxury organizations; and a group of individual consumers. It also operates World of Hyatt loyalty program, which rewards points that can be redeemed for hotel nights and other rewards. Hyatt Hotels Corporation was founded in 1957 and is headquartered in Chicago, Illinois.
Hilton Worldwide Holdings Inc.	Hilton Worldwide Holdings Inc., a hospitality company, engages in managing, franchising, owning, and leasing hotels and resorts. It operates through two segments, Management and Franchise, and Ownership. The company engages in the hotel management and licensing of its brands. It operates luxury hotels under the Waldorf Astoria Hotels & Resorts, LXR Hotels & Resorts, and Conrad Hotels & Resorts brand; lifestyle hotels under the Canopy by Hilton, Curio Collection by Hilton, Tapestry Collection by Hilton, Tempo by Hilton, and Motto by Hilton brand; full service hotels under the Signia by Hilton, Hilton Hotels & Resorts, and DoubleTree by Hilton brand; service hotels under the Hilton Garden Inn, Hampton by Hilton, and Tru by Hilton brand; all-suite hotels under the Embassy Suites by Hilton, Homewood Suites by Hilton, and Home2 Suites by Hilton brand; and premium economy hotel under the Spark by Hilton brand, as well as Hilton Grand Vacations. The company operates in North America, South America, and Central America, including various Caribbean nations; Europe, the Middle East, and Africa; and the Asia Pacific. The company was founded in 1919 and is headquartered in McLean, Virginia.
S Hotels and Resorts Public Company Limited	S Hotels and Resorts Public Company Limited, together with its subsidiaries, engages in the investment, hospitality, and related businesses in Thailand. It offers a portfolio of properties to guests in the Republic of Maldives, the Republic of Fiji, the Republic of Mauritius, the United Kingdom, and Thailand. The company was incorporated in 2019 and is based in Bangkok, Thailand. S Hotels and Resorts Public Company Limited is a subsidiary of Singha Estate Public Company Limited.
Wyndham Hotels & Resorts, Inc.	Wyndham Hotels & Resorts, Inc. operates as a hotel franchisor worldwide. It operates through Hotel Franchising and Hotel Management segments. The Hotel Franchising segment licenses its lodging brands and provides related services to third-party hotel owners and others. The Hotel Management segment provides hotel management services for full-service hotels. It is also involved in the reward loyalty program business. The company's hotel brand portfolios include Super 8, Days Inn, Travelodge, Microtel, Howard Johnson, La Quinta, Ramada, Baymont, AmericInn, Wingate, Wyndham Alltra, Wyndham Garden, Ramada Encore, Hawthorn, Trademark Collection, TRYP, Wyndham, Wyndham Grand, Dazzler, Esplendor, Dolce, Vienna House, and Registry Collection. It operates a hotel portfolio of 24 hotel brands with affiliated hotels located in approximately 95 countries. The company was incorporated in 2017 and is headquartered in Parsippany, New Jersey.
Bluegreen Vacations Holding Corporation	Bluegreen Vacations Holding Corporation operates as a vacation ownership company. The company markets and sells vacation ownership interests (VOI); and manages resorts in leisure and urban destinations, including Orlando, Las Vegas, Myrtle Beach, Charleston and New Orleans, and others. It also provides resort management, mortgage, title, reservation, and construction design and development services; and financing to qualified VOI purchasers, as well as management services to the vacation club and homeowners' associations. The company was founded in 1966 and is headquartered in Boca Raton, Florida.
Hotel Properties Limited	Hotel Properties Limited, an investment holding company, owns, manages, and operates hotels in Singapore and internationally. It operates through Hotels, Properties, and Others segments. The company engages in the rental and sale of residential properties and commercial units; property development and project management activities; trading in quoted investments and share dealing; card service operations; and provision of administrative and information services. In addition, it owns and operates hotels under the Four Seasons Hotels & Resorts, COMO Hotels & Resorts, InterContinental Hotels Group, Six Senses Hotels & Resorts, Marriott International, Hard Rock Hotels, and Concorde Hotels & Resorts brands, as well as shopping galleries primarily in Singapore, Malaysia, Thailand, Maldives, Indonesia, Seychelles, the United Kingdom, the United States, Vanuatu, Bhutan, Tanzania, South Africa, Italy, and Sri Lanka. The company was incorporated in 1980 and is based in Singapore.
Transmetro Corporation Limited	Transmetro Corporation Limited, together with its subsidiaries, owns and operates hotels, inns, serviced apartments, and theme pubs in Australia. The company operates hotels under the Metro Hotels name; and apartments under the Metro Apartments. It serves business and leisure travelers. Transmetro Corporation Limited was founded in 1976 and is based in Ultimo, Australia.

Company Name	Business Description
Millennium & Copthorne Hotels New Zealand Limited	Millennium & Copthorne Hotels New Zealand Limited owns, operates, manages, leases, and franchises hotels in New Zealand and Australia. It is also involved in the ownership of residential apartments; investment and development properties. The company was incorporated in 1985 and is headquartered in Auckland, New Zealand. Millennium & Copthorne Hotels New Zealand Limited is a subsidiary of CDL Hotels Holdings New Zealand Limited.
Eumundi Group Limited	Eumundi Group Limited engages in the hotel operation and property investment businesses in Australia. The company's Hotel Operations segment owns and operates public hotels with bar, bistro, and gaming facilities; and conducts commercial and retail liquor sales through owned and leased premises. It operates the Ashmore Tavern and Aspley Central Taverns hotels. The company's Investment Property Operations segment owns and leases investment property assets to retail tenants. Eumundi Group Limited was incorporated in 1989 and is headquartered in Ashmore, Australia.
Accor SA	Accor SA operates a chain of hotels worldwide. It operates through two segments, HotelServices, and Hotel Assets & Other. The company owns, operates, manages, and franchises hotels. It also provides digital services to independent hotel operators through D-edge platform; ResDiary, a flat-rate online table reservation system that is designed for restaurant owners; Gekko solutions, including digital hotel distribution and loyalty platforms for the travel industry and large companies; and concierge and customized services through John Paul, as well as hotel booking services; and other services in events, fine dining, and entertainment through Paris Society and Potel & Chabot platforms. In addition, the company offers distribution activities, such as private sales of hotel accommodation and luxury vacations through VeryChic platform; rental of private residences operated by onefinestay; and coworking spaces through Wojo and Mama Works. Further, it provides hotel management, procurement, cash management, IT, and advertising services, as well as various advisory services. The company was founded in 1967 and is headquartered in Issy-les-Moulineaux, France.
Inspirato Incorporated	Inspirato Incorporated, together with its subsidiaries, operates as a subscription-based luxury travel company. The company provides affluent travelers access to a portfolio of curated luxury vacation homes, and accommodations at luxury hotels and resorts, as well as luxury safaris, cruises, custom-designed (bucket list) itineraries, and other experiences. It is also involved in solving critical pain points for hospitality suppliers seeking to monetize their property with rental income. In addition, the company offers Inspirato Real Estate, a platform to find, buy, own, and enjoy a luxury vacation home; Inspirato for Good, an easy-to-use, no-commitment platform designed to help nonprofit organizations accelerate funding results; Inspirato for Business, a business-to-business channel through which subscription and travel products are sold directly to businesses seeking to leverage luxury accommodations to recruit, retain, and reward their employees. The company was founded in 2010 and is headquartered in Denver, Colorado.
Vacasa, Inc.	Vacasa, Inc. operates vacation rental management platform in North America, Belize, and Costa Rica. The company enables guests to search, discover, and book its properties on Vacasa.com and the Vacasa Guest App. It also provides services to buy and sell vacation homes through its network of real estate agents. The company was founded in 2009 and is headquartered in Portland, Oregon
Hostelworld Group plc	Hostelworld Group plc operates an online booking platform worldwide. The company offers software and data processing services that facilitate hostel, B&B, hotel, and other accommodation bookings. The company also provides business information consulting and marketing planning services; and marketing, and research and development services. In addition, it is engaged in technology trading business. Hostelworld Group plc was founded in 1999 and is based in Dublin, Ireland.
Trip.com Group Limited	Trip.com Group Limited operates as a travel service provider for accommodation reservation, transportation ticketing, packaged tours and in-destination, corporate travel management, and other travel-related services in China and internationally. The company acts as an agent for hotel-related transactions and selling air tickets, as well as provides train, long-distance bus, and ferry tickets; travel insurance products, such as flight delay, air accident, and baggage loss coverage; and air-ticket delivery, online check-in and seat selection, express security screening, real-time flight status tracker, and airport VIP lounge services. It also provides independent leisure travelers bundled packaged-tour products comprising group, semi-group, and customized and packaged tours with various transportation arrangements, including air, cruise, bus, and car rental services. In addition, the company offers integrated transportation and accommodation services; destination transportation and ticket, activity, insurance, visa, and tour guide services; user support, supplier management, and customer relationship management services; and in-destination products and services. Further, it provides its corporate clients with business visit, incentive trip, meeting and conference, travel data collection and analysis, industry benchmark, cost saving analysis, and travel management solutions; and Corporate Travel Management System, an online platform that integrates information management, online booking and authorization, online inquiry, and travel reporting systems. Additionally, the company offers online advertising and financial services. It operates under the Ctrip, Qunar, Trip.com, and Skyscanner brands. The company was formerly known as Ctrip.com International, Ltd. and changed its name to Trip.com Group Limited in October 2019. Trip.com Group Limited was founded in 1999 and is headquartered in Shanghai, the People's Republic of China.
Airbnb, Inc.	Airbnb, Inc., together with its subsidiaries, operates a platform that enables hosts to offer stays and experiences to guests worldwide. The company's marketplace model connects hosts and guests online or through mobile devices to book spaces and experiences. It primarily offers private rooms, primary homes, or vacation homes. The company was formerly known as AirBed & Breakfast, Inc. and changed its name to Airbnb, Inc. in November 2010. Airbnb, Inc. was founded in 2007 and is headquartered in San Francisco, California.

Company Name	Business Description
Booking Holdings Inc.	Booking Holdings Inc. provides travel and restaurant online reservation and related services worldwide. The company operates Booking.com, which offers online accommodation reservations; Rentalcars.com that provides online rental car reservation services; and Priceline, which offer online travel reservation services, and consumers hotel, flight, and rental car reservation services, as well as vacation packages, cruises, and hotel distribution services. It also operates Agoda that provides online accommodation reservation services, as well as flight, ground transportation and activities reservation services. In addition, the company operates KAYAK, an online meta-search service that allows consumers to search and compare travel itineraries and prices, comprising airline ticket, accommodation reservation, and rental car reservation information; and OpenTable for booking online restaurant reservations. Further, it offers travel-related insurance products, and restaurant management services to consumers, travel service providers, and restaurants; and advertising services. The company was formerly known as The Priceline Group Inc. and changed its name to Booking Holdings Inc. in February 2018. The company was founded in 1997 and is headquartered in Norwalk, Connecticut.
Sonder Holdings Inc.	Sonder Holdings Inc. engages in the hospitality business. It operates and manages properties comprising 1-2-, and 3+ bedroom; and studio apartments, as well as 1-bedroom hotel rooms for leisure travelers and families, digital nomads, and business travelers in North America, Europe, and the Middle East. The company is headquartered in San Francisco, California.

Source: CapitalIQ

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Appendix D

Scheme Implementation Deed

Scheme implementation deed

Alloggio Group Limited

Next Capital Pty Limited

TALBOTSAYER

Talbot Sayer Lawyers ABN 93 168 129 075
Level 27, Riverside Centre
123 Eagle Street, Brisbane QLD 4000 Australia
GPO Box 799, Brisbane QLD 4001 Australia
Ph: +61 7 3160 2900
www.talbotsayer.com.au

Scheme implementation deed

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TALBOTSAYER

Details

Date 27 March 2023 (as amended and restated on 13 June 2023)

Parties

Name	Alloggio Group Limited	
ACN	645 582 225	
Short form name	**ALO**	
Notice details	Attention	The Directors
	Address	840 Hunter Street, Newcastle, NSW 2300
	Email	matt.keen@alloggio.com.au

Name	Next Capital Pty Limited	
ACN	111 963 583	
Short form name	**Bidder**	
Notice details	Attention	Patrick Elliott
	Address	Level 12/143, Macquarie St, Sydney, NSW 2000
	Email	patrick.elliott@nextcapital.com.au

Background

A The parties have agreed that Bidder will acquire all of the ordinary shares in ALO by way of a scheme of arrangement under Part 5.1 of the Corporations Act between ALO and the Scheme Shareholders.

B The parties have agreed to implement the Scheme on the terms and conditions of this deed.

Agreed terms

1. Defined terms and interpretation

1.1 **Definitions**

In this deed:

Term	Meaning
Accounting Standards	(a) the accounting standards required under the Corporations Act (including the Approved Accounting Standards issued by the Australian Accounting Standards Board) and other mandatory professional reporting requirements issued by the joint accounting bodies (including the Australian Accounting Standards issued either jointly by CPA Australia and the Institute of Chartered Accountants in Australia or by the Australian Accounting Research Foundation on behalf of CPA Australia and the Institute of Chartered Accountants in Australia); and (b) if no accounting standard applies under the Corporations Act or other mandatory professional reporting requirements, the principles set out in the Australian Statements of Accounting Concepts.
Affiliate	with respect to any person, any other person that directly or indirectly controls, is controlled by or is under common control with, such first person. For the purposes of this definition, 'control' (including, the terms 'controlling', 'controlled by' and 'under common control with'), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise.
ALO Board	means the board of directors of ALO.
ALO Director	means any director of ALO comprising part of the ALO Board.
ALO Director Option Plan	means the 'Director Option Terms' adopted by the ALO Board on 18 October 2021.
ALO Director Shares	means any ALO Share: (a) held by or on behalf of, or Controlled by, any ALO Director; or (b) listed as an indirect interest in the latest Appendix 3X or Appendix 3Y lodged by ALO with ASX in respect of any ALO Director.
ALO Employee Option Plan	means the 'Employee Share Option Plan' adopted by the ALO Board on 3 June 2022.

Term	Meaning
ALO Group	means ALO and each of its Subsidiaries, and a reference to an ALO **Group Member** is to ALO or any of its Subsidiaries.
ALO Indemnified Parties	means ALO, its Related Bodies Corporate and their respective directors, officers, employees, advisers and agents.
ALO Information	means: (a) information regarding the ALO Group prepared by ALO for inclusion in the Scheme Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the Corporations Regulations, and (b) any other information that is material to the making of a decision by ALO Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of each of the ALO Directors, other than the Bidder Information, the Independent Expert's Report or any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to ALO.
ALO Lead Manager Option Plan	means the 'Bell Potter Option Terms' adopted by the ALO Board on 18 October 2021
ALO Material Adverse Change	means any matter, event, change, condition, circumstance, occurrence or thing (each a **Specified Event**) occurring after the date of this deed, or becoming actually known to Bidder after the date of this deed, which has had or would be considered reasonably likely to result in: (a) the Net Assets of the ALO Group, taken as a whole, being less than $24,000,000 as at 8.00am on the Second Court Date; or (b) a diminution in the EBITDA of the ALO Group, taken as whole, by at least $1,000,000 on an annualised basis; or (c) the Net Debt of the ALO Group, taken as a whole, being more than $15,500,000 as at 8:00am on the Second Court Date, each amount calculated consistently with the approach used for past management accounts and other than those matters, events, changes, conditions, circumstances, occurrences or things: (d) that are within the actual knowledge of the Bidder prior to the date of this deed (excluding the operation of termination, renewal, consent, change of control or similar rights in respect of material contracts, licences, authorisations or arrangements); (e) that are Fairly Disclosed in the Disclosure Materials; (f) that have been announced by the ASX by ALO (prior to the date of this deed);

Term	Meaning
	(g) arising from changes in general economic or business conditions (including changes to interest rates, exchange rates, commodity prices or markets (including domestic or international financial markets)) in each case, other than such changes or conditions that have a disproportionate effect on the ALO Group as compared to other participants in the industries in which the ALO Group operates; (h) arising from any change in law, regulation, Accounting Standards or the interpretation of any such standards or principles, or policy of a Government Agency after the date of this deed, other than where such matters have a disproportionate effect on the ALO Group taken as a whole; (i) required or expressly permitted to be done or procured by the ALO Group under this deed or the Scheme (excluding the operation of termination, renewal, consent, change of control or similar rights in respect of material contracts, licences, authorisations or arrangements); (j) agreed to, or requested, by the Bidder in writing; or (k) arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.
ALO Options	means the following options over ordinary shares in ALO issued by ALO: (a) 2,000,000 options granted to John Murphy under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (b) 3,000,000 options granted to William Creedon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (c) 1,000,000 options granted to Karen Howard under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (d) 1,000,000 options granted to Christopher Sneddon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (e) 1,000,000 options granted to Matthew Keen under the ALO Director Option Plan with a vesting date of 25

Term	Meaning
	November 2023 and an expiry date of 25 November 2026; (f) 2,700,000 options held by Bell Potter Nominees Limited ACN 088 899 601 ATF BB Nominees under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (g) 300,000 options held by On-Market Bookbuilds Pty Ltd ACN 140 632 024 under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (h) 1,000,000 options granted to Michael Potts under the ALO Employee Share Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (i) 1,000,000 options granted to Shaun Measday under the ALO Employee Share Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; and (j) any options granted to Denis Morrissy and Matthew Neill under the ALO Employee Share Plan.
ALO Prescribed Occurrence	means the occurrence of any of the following: (a) ALO converting all or any of its shares into a larger or smaller number; (b) an ALO Group Member reducing or resolving to reduce its share capital in any way or resolving to re-classify, combine, split, redeem or re-purchase, directly or indirectly, any of its shares; (c) an ALO Group Member buying back or agreeing to buy back any of its shares, including by: (i) entering into a buy-back agreement; or (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act; (d) an ALO Group Member issuing shares or other securities, or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a right or an option, other than to a wholly-owned Subsidiary of ALO, provided that ALO itself is not the issuing entity; (e) an ALO Group Member creating any new security-based (or phantom security-based) incentive plan or scheme; (f) an ALO Group Member issuing or agreeing to issue convertible notes or any other securities convertible into shares or debt securities;

Term	Meaning
	(g) an ALO Group Member announcing, making, declaring, determining as payable, paying or distributing any distribution, dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to any person (whether in cash or in specie); (h) an ALO Group Member changing the rights attaching to any class of securities in an ALO Group Member; (i) an ALO Group Member making any change to its constitution (or equivalent or similar document in a jurisdiction other than Australia); (j) an ALO Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property, or ALO disposes or agrees to dispose of any ALO Group Member; (k) an ALO Group Member enters into, or resolves to enter into, any agreement to restructure or reorganise their assets or securities; (l) an ALO Group Member creating or granting an Encumbrance, or agreeing to create or grant an Encumbrance, in respect of the whole, or a substantial or material part, of the business, assets or property of the ALO Group, other than a lien securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the ALO Group's business; (m) an Insolvency Event occurs in relation to any ALO Group Member; (n) an ALO Group Member ceasing, or threatening to cease, carrying on the whole or a material part of its business; (o) ALO Shares ceasing to be quoted, or are suspended from quotation, on ASX; or (p) any ALO Group Member directly or indirectly authorising, committing , resolving or agreeing to take any of the actions referred to in paragraphs (a) to (o) above insofar as it applies to the ALO Group Member the subject of the relevant actions referred to in paragraphs (a) to (o) above, but an ALO Prescribed Occurrence does not include an occurrence: (q) which is required by any applicable law, regulation, Listing Rules, Accounting Standards, contract (provided the contract was entered into, and a copy of which is Fairly Disclosed to Bidder in the Disclosure Materials, or was otherwise permitted by this deed) or by a Government Agency;

Term	Meaning
	(r) within the actual knowledge of a Bidder Group Member before the date of this deed or upon provision of the Disclosure Materials; (s) as expressly required to be done or procured by the ALO Group pursuant to this deed or the Scheme; or (t) as agreed to, or requested, by Bidder in writing.
ALO Regulated Event	means the occurrence of any of the following: (a) **acquisitions and disposals**: an ALO Group Member acquiring, leasing or disposing (or agreeing, proposing or offering to acquire, lease, licence or dispose) of any business, entity, tangible or intangible assets, property or undertaking (whether by way of a single transaction or series of related transactions) which is not on arm's length terms, or the value of which exceeds $1,000,000 (individually or in aggregate); (b) **material contracts**: an ALO Group Member entering into any contract or commitment (or series of related contracts or commitments), or materially varying any contract or commitment (or series of related contracts or commitments) in existence at the date of this deed (excluding any contract or commitment in respect of Financial Indebtedness): (i) requiring annual payments by the ALO Group in excess of $500,000; or (ii) that generates, or is expected to generate, in aggregate, $1,000,000 or more in gross annual revenue for the ALO Group, other than in the ordinary course of carrying on the ALO Group business; (c) **capital expenditure**: any ALO Group Member incurring or entering into commitments to incur capital expenditure (other than capitalisation of internal labour) in excess of $500,000 for any individual item or $1,000,000 in aggregate; (d) **disputes**: an ALO Group Member commencing, compromising, settling or offering to settle any legal proceedings, claim, investigation, arbitration or like proceeding where the claimed or settlement amount (or, in the case of a series of related legal proceedings, claims, investigations, arbitrations or like proceedings, aggregate claimed or settlement amount) could reasonably be expected to give rise to a liability for the ALO Group in excess of $1,000,000; (e) **financing**: an ALO Group Member entering into any new contract or commitment, or materially varying any contract or commitment in existence at the date of this deed, with the effect of increasing Financial

Term	Meaning
	Indebtedness, of an amount in excess of $1,000,000 (for the avoidance of doubt, this does not increase the threshold in (c) of the definition of ALO Material Adverse Change);
	(f) **Security Interests:** an ALO Group Member granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property, other than a Security Interest securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the ALO Group's business;
	(g) **guarantees and indemnities**: any ALO Group Member entering into any guarantee or indemnity on behalf of any person or providing security for the obligations of any person of a value in excess of $1,000,000, other than in the ordinary course of business;
	(h) **accounting**: an ALO Group Member changing any accounting method, practice or principle used by it (including any accounting period), other than as a result of changes in Accounting Standards or the interpretation of any of them (in each case provided that any such change is not as a result of any election or similar action by an ALO Group Member which is not required by the applicable standard or principle);
	(i) **employees**:
	(i) an ALO Group Member entering into any new employment, independent contractor, or consulting agreement, materially varying or terminating any employment agreement, independent contractor agreement or consulting agreement other than for cause in respect of which the aggregate annual fixed remuneration is greater than $200,000;
	(ii) an ALO Group Member materially increasing the remuneration, compensation or benefits of, or paying or granting any bonus or issues any securities to, or otherwise materially varying the employment, independent contractor or consulting arrangements with its directors, officers, independent contractors, consultants or other members of the executive leadership team or an officer or employee with annual fixed remuneration greater than $200,000;
	(iii) an ALO Group Member granting to any officer or employee of any ALO Group Member who receives annual fixed remuneration greater than $200,000 any severance or termination pay except to the extent required by law or the

Term	Meaning

terms of an award or enterprise bargaining agreement or workplace agreement;

(iv) an ALO Group Member adopting, modifying, entering into or terminating any collective bargaining or other agreement with a union, labour organisation, or association; or

(v) an ALO Group Member accelerating or committing to accelerate the funding, payment or vesting of any compensation, severance, or benefits;

(j) **advisers**:

(i) an ALO Group Member incurring or paying, or agreeing to incur or pay, Transaction Advisory Costs after the date of this deed in excess of $1.000,000, to the extent such Transaction Advisory Costs have not been Fairly Disclosed to Bidder prior to the date of this Deed and approved by Bidder;

(ii) materially amending any agreement or arrangement with a Financial Adviser or other adviser for the provision of services to assist with the Transaction or entering into an agreement or arrangement with a new Financial Adviser or other adviser for the provision of services to assist with the Transaction or entering into a new agreement or arrangement with an existing Financial Adviser or other adviser for the provision of services to assist with the Transaction; or

(iii) paying or agreeing to pay any discretionary incentive fee to any Financial Adviser or other adviser for the provision of services to assist with the Transaction under any new or existing agreement or arrangement;

(k) **Tax**:

(i) an ALO Group Member incurring any Tax liability in relation to an event that is outside the ordinary course of business in excess of $500,000;

(ii) an ALO Group Member becoming the subject of a material Tax audit or examination or other administrative or judicial proceeding arising therefrom or receiving from any Tax Authority any written notice of a material proposed adjustment, deficiency or underpayment of Taxes which could reasonably be expected to give rise to a liability in excess of $500,000;

Term	Meaning
	(iii) initiate or enter into any closing, voluntary disclosure or similar agreement with respect to Taxes, settle or compromise any Tax claim, assessment or liability, obtain any Tax ruling, or surrender any right to claim a material refund of or reduction in liability for Taxes; (iv) an ALO Group Member making, changing or revoking any material Tax elections, or settling, or compromising, or changing any material Tax methodologies or Tax policies applied by it in the 12 months prior to the date of this deed; or (v) an ALO Group Member changing any method of accounting or accounting period for Tax purposes, file an amended Tax Return or enter into any agreement to extend or waive the applicable statute of limits with respect to any Taxes; (l) **related party transactions**: any ALO Group Member entering into, or resolving to enter into, a transaction, including giving or agreeing to give a financial benefit to a related party of ALO (other than a related party that is an ALO Group Member) as defined in section 228 of the Corporations Act; (m) **Third Party defaults**: an ALO Group Member waiving any Third Party default where the financial impact of the waiver on the ALO Group as a whole will, or is reasonably likely to be, in excess of $1,000,000 (individually or in aggregate); (n) **restraints**: an ALO Group Member entering into a contract or commitment materially restraining an ALO Group Member from competing with any person or conducting activities in any market; or (o) **authorisation**: an ALO Group Member authorising, agreeing or announcing to the ASX an intention to do any of the things set out above, whether conditionally or otherwise, but an ALO Regulated Event does not include an occurrence: (p) which is required by any applicable law, regulation, Accounting Standards or contract to which an ALO Group Member is party or by a Government Agency; (q) which is in the actual knowledge of a Bidder Group Member by the date of this deed; (r) as expressly required to be done or procured by the ALO Group pursuant to this deed or the Scheme; or (s) as agreed to, or requested, by the Bidder in writing.

Term	Meaning
ALO Representations and Warranties	means the representations and warranties of ALO set out in Schedule 2, as each is qualified by clause 6.5.
ALO Share	means a fully paid ordinary share in the capital of ALO.
ALO Share Register	means the register of members of ALO maintained in accordance with the Corporations Act.
ALO Shareholder	means each person who is registered as the holder of an ALO Share in the ALO Share Register.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Authorisation	means any authorisation, consent, approval, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, permit, authority or exemption from, by or with a Government Agency.
Bidder Counterproposal	has the meaning given to it in clause 10.4(a)(v).
Bidder Group	means Bidder and its Related Bodies Corporate, and a reference to a **Bidder Group Member** is any one of them.
Bidder HoldCo	means the holding company of the Bidder Nominee.
Bidder HoldCo Share	means a fully paid ordinary share in the Bidder HoldCo.
Bidder Indemnified Parties	means Bidder, its Related Bodies Corporate and their respective directors, officers, employees, advisers and agents.
Bidder Information	means information regarding the Bidder Group provided by Bidder to ALO in writing for inclusion in the Scheme Booklet including: (a) information about Bidder and other Bidder Group Members, the businesses of the Bidder Group and Bidder's interests and dealings in ALO Shares, Bidder's intentions for ALO and ALO's employees, and funding for the Scheme; and (b) any other information required under the Corporations Act, Corporations Regulations or RG 60 to enable the Scheme Booklet to be prepared that the parties agree is 'Bidder Information' and that is identified in the Scheme Booklet as such. For the avoidance of doubt, the Bidder Information excludes the ALO Information, the Independent Expert's Report and any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to ALO.
Bidder Nominee	has the meaning given to it in clause 4.3.
Bidder Representations and Warranties	means the representations and warranties of Bidder set out in Schedule 1.

Term	Meaning
Break Fee	means $600,000.
Business Day	means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.
Claim	means any claim, demand, legal proceedings or cause of action (including any claim, demand, legal proceedings or cause of action: (a) based in contract, including breach of warranty; (b) based in tort, including misrepresentation or negligence; (c) under common law or equity; or (d) under statute, including the Australian Consumer Law (being Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**CCA**)) or Part VI of the CCA, or like provision in any state or territory legislation), in any way relating to this deed or the Transaction, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this deed.
Competing Proposal	means any proposal, offer, expression of interest, agreement, arrangement or transaction (whether existing before, on, or after the date of this deed), which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any Associate(s)): (a) directly or indirectly acquiring or having the right to acquire: (i) a Relevant Interest in; (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or (iii) control of, 20% or more of the ALO Shares; (b) acquiring Control (as determined in accordance with section 50AA of the Corporations Act, but disregarding sub-section 50AA(4)) of ALO; (c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material or substantial part of ALO's business or assets or the business or assets of the ALO Group; (d) otherwise directly or indirectly acquiring, being stapled to, or merging with ALO; or (e) requiring ALO to abandon, or otherwise fail to proceed with, the Transaction, whether by way of a takeover bid, members or creditors' scheme of arrangement, shareholder approved acquisition,

Term	Meaning
	reverse takeover, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, incorporated or unincorporated joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement. Each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.
Condition Precedent	means each of the conditions set out in clause 3.1.
Confidentiality Deed	means the non-disclosure agreement dated 12 May 2022 by and between ALO and Next Capital Pty Limited ACN 111 963 583.
Consent Contract	means the following documents: (a) the lease with respect to the property located at Shop 1/25 Hasting Street, Noosa, dated 2 February 2021; (b) the lease with respect to the property located at 147 Sooning Street, Nelly Bay dated 8 April 2022; and (c) the lease with respect to the property located at 142 Sooning Street, Nelly Bay, dated 12 April 2022.
Consultation Notice	has the meaning given in clause 3.4(a).
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth), as modified or varied by ASIC.
Corporations Regulations	means the *Corporations Regulations 2001* (Cth).
Court	means the Sydney Registry of the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and ALO.
Debt	means the total aggregate of: (a) Financial Indebtedness; (b) capex estimates; (c) interest due and payable; (d) Tax liabilities, excluding ordinary course GST liabilities for which payment is not yet due; (e) Transaction Advisory Costs; (f) scheduled debt repayments; (g) employee redundancy and termination costs; and (h) finance lease liabilities (excluding the impact of AASB 16) and provision for rehabilitation costs, of the ALO Group, but for the avoidance of doubt no amount is to be double counted.

Term	Meaning
Debt Commitment Letters	means binding, credit-approved, executed commitment letter or letters from certain banks or financial institutions addressed to a Bidder Group Member.
Deed Poll	means a deed poll in the form of Attachment 3 or such other form as agreed in writing between the parties under which Bidder covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under the Scheme.
Disclosure Materials	means the information provided by ALO to Bidder, including in response to the Bidder's requests for due diligence information, prior to the date of this deed.
EBITDA	means, in respect of ALO Group, consolidated earnings before interest, tax, depreciation and amortisation, calculated in accordance with Accounting Standards. For the avoidance of doubt, this will exclude the impact of AASB 16.
Effective	means, when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	means: (a) 31 October 2023; or (b) such other date as agreed in writing by the parties.
Escrowed Shares	means the 82,359,766 ALO Shares held by Directors and certain promoters and their associates and to which a holding lock applies as at the date of this deed.
Exclusivity Period	means the period from and including 27 March 2023 to the earliest of: (a) the date of termination of this deed; (b) the End Date; and (c) the Implementation Date.
Existing Financing	means any existing financing agreement or arrangement for the provision of Financial Indebtedness by a Third Party to any ALO Group Member (including any swap and derivative agreements or arrangements).
Fairly Disclosed	means disclosed to a sufficient extent and in sufficient detail to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Transaction, to identify the nature, substance and scope of the

Term	Meaning
	relevant fact, matter, circumstances or event and assess the potential impact (including financial impact) of the relevant fact, matter, circumstance or event.
Financial Adviser	means any financial adviser retained by an ALO Group Member in relation to the Transaction from time to time.
Financial Indebtedness	means any debt or other monetary liability (whether actual or contingent), together with all interest, fees and penalties accrued thereon, in respect of any monies borrowed, raised, owing or any financial accommodation including under or in respect of any: (a) interest or non-interest bearing loan or other financing liability or obligation, including an overdraft or any other liability in the nature of borrowed money (whether secured or unsecured); (b) bill, bond, debenture, note or similar instrument; (c) acceptance, endorsement or discounting arrangement; (d) guarantee or letter of credit; (e) finance or capital lease. For the avoidance of doubt, this will be calculated excluding the impact of AASB 16; (f) redeemable share or security; (g) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; (h) any declared but unpaid dividend; (i) obligation to deliver goods or provide services paid for in advance by any financier; or (j) recourse or non-recourse liability (whether conditional or unconditional, present or future) arising from any transaction(s) related to the assignment or securitisation of receivables for financing purposes to any Third Party, including a factoring agreement or a similar agreement executed for the purpose of obtaining financing and including any amount raised pursuant to such agreement but which, in accordance with the Accounting Standards, has not otherwise been recognised on the balance sheet as a liability, but for the avoidance of doubt no amount is to be double counted.
Financing Default	means any 'event of default' (however described), any other matter, event or circumstance which, with the giving of notice, expiry of a grace period or both would be an 'event of default' (however described), any 'review event' (however described) or any other 'termination event' (however described) under and for the purposes of any Existing Financing.
FIRB	means the Foreign Investment Review Board.

Term	Meaning
FIRB Act	means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).
FIRB Regulation	means the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth).
First Court Date	means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the **First Court Hearing**.
Founders	means each of William Creedon and Karen Howard.
Founding Shareholders	means: (a) the Founders; (b) any person directly or indirectly controlled by a Founder; and (c) any other person to the extent they hold Scheme Shares on behalf of, or for the benefit of, a person in paragraph (a) or (b).
General ALO Shareholders	means the ALO Shareholders other than the Founding Shareholders.
Government Agency	means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
Implementation Committee	means a committee comprised of two senior ALO executives and two senior Bidder Group Member executives, and any other persons as agreed by the parties.
Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing or is ordered by the Court or required by ASX.
Independent Expert	means the independent expert in respect of the Scheme appointed by ALO to prepare the Independent Expert's Report.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme, setting out the Independent Expert's opinion whether or not the Scheme is in the best interests of ALO Shareholders and the reasons for holding that opinion.
Insolvency Event	in relation to an entity, means: (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days);

Term	Meaning
	(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; (c) the entity executing a deed of company arrangement; (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed; (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or (f) the entity being deregistered as a company or otherwise dissolved, or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.
Listing Rules	means the official listing rules of ASX.
Matching or Superior Proposal	has the meaning given to that term in clause 10.4(b).
Net Assets	means, in respect of ALO Group, the consolidated net assets calculated in a manner consistent with the Accounting Standards.
Net Debt	means the Debt less the amount of cash, cash equivalents and short term interest bearing deposits (where the terms 'cash' and 'cash equivalents' are as defined in the Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board but exclude any 'trapped cash' required for the ongoing operation of ALO's business).
Non-public ALO Information	has the meaning given to that term in clause 10.1(a)(iii).
PPS Register	means the register established under the PPSA.
PPSA	means the *Personal Property Securities Act 2009* (Cth).
Recommendation	has the meaning given to that term in clause 5.9(b).
Registered Address	in relation to a Scheme Shareholder, means the address shown in the ALO Share Register as at the Scheme Record Date.
Regulator's Draft	means the draft of the Scheme Booklet in a form which is provided to ASIC for review pursuant to subsection 411(2) of the Corporations Act.
Regulatory Approvals	means: (a) any approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from by or with a Government Agency; or

Term	Meaning
	(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Related Person	in respect of a party or each of their respective Related Bodies Corporate, means each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Relevant Number	in respect of each Founding Shareholder means a number equal to the number of Scheme Shares held by that Founding Shareholder.
Requisite Majorities	in relation to the Scheme Resolution to be put to ALO Shareholders at the Scheme Meeting, means the resolution being passed by: (a) a majority in number (more than 50%) of ALO Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative, except to the extent the Court orders otherwise under subsection 411(4)(a)(ii)(A) of the Corporations Act and, in that case, in accordance with that Court order; and (b) at least 75% of the votes cast on the resolution by ALO Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.
Reverse Break Fee	means $300,000.
RG 60	means Regulatory Guide 60 issued by ASIC in September 2020.
Scheme	means the members' scheme of arrangement under Part 5.1 of the Corporations Act between ALO and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is attached as Attachment 2 (or such other form as agreed in writing by Bidder and ALO), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.4(a) .
Scheme Booklet	means the scheme booklet to be prepared by ALO in respect of the Scheme pursuant to section 412 of the Corporations Act

Term	Meaning
	and in accordance with the terms of this deed (including clause 5.2(a)) to be despatched to the ALO Shareholders and which must include or be accompanied by: (a) a copy of the Scheme; (b) an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60; (c) the Independent Expert's Report; (d) a copy or summary of this deed; (e) a copy of the executed Deed Poll; (f) notice(s) of meeting; and (g) proxy form(s).
Scheme Consideration	means the consideration to be provided or procured by the Bidder to Scheme Shareholders in consideration for the transfer of the Scheme Shares held by Scheme Shareholders to the Bidder as follows: (a) in the case of General ALO Shareholders, $0.24 per Scheme Share; (b) in the case of each Founding Shareholder, Bidder HoldCo Shares equal to the number of Scheme Shares held by that Founding Shareholder.
Scheme Meeting	means the meeting of ALO Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme Resolution and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the second Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Resolution	means the resolution to approve the Scheme to be considered by ALO Shareholders at the Scheme Meeting.
Scheme Shareholder	means an ALO Shareholder as at the Scheme Record Date.
Scheme Shares	means all ALO Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scrip Scheme Consideration	means the aggregate Scheme Consideration to be provided to the Founding Shareholders in the form of the issue of Bidder HoldCo Shares under clause 5.4 of the Scheme.
Second Court Date	means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard, with such hearing being the **Second Court Hearing**.

Term	Meaning
Security Interest	has the meaning given in section 12 of the PPSA.
SHD	means the shareholders' agreement to be entered into in respect of the Bidder HoldCo and its shareholders as contemplated by clauses 3.1(n) and in a form acceptable to the Bidder.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	means a bona fide, written Competing Proposal of the kind referred to in any of paragraphs (b), (c) or (d) of the definition of 'Competing Proposal' and not received as a result of a breach by ALO of its obligations under clause 10, that the ALO Board, acting in the best interests of ALO Shareholders and in good faith and in order to satisfy what the ALO Board considers to be the ALO Directors' statutory or fiduciary duties (after having obtained written advice from its external legal advisers and Financial Adviser) determines: (a) is reasonably capable of being valued and completed within a reasonable timeframe in accordance with its terms, taking into account all terms, conditions and other aspects of the Competing Proposal, including, but not limited to: (i) the identity, reputation and financial condition of the party making the Competing Proposal; (ii) the ability of the party making the Competing Proposal to consummate the transactions contemplated by the Competing Proposal; and (iii) all relevant legal, financial, regulatory and other matters; and (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction that is more favourable to ALO Shareholders (as a whole) than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 10.4), taking into account all terms and conditions and other aspects of: (i) the Completing Proposal (including, but not limited to, the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of ALO Shareholders in relation to the Competing Proposal compared to the Transaction, the ability of the proponent to complete the transactions contemplated by the Competing Proposal and the probability of the Competing Proposal being completed

Term	Meaning
	compared to the Transaction and relevant legal, financial, regulatory and other matters); and (ii) the Transaction (including the matters described in paragraph (i) above in respect of the Transaction).
Tax	means any tax, levy, impost, withholding, charge, duty (including stamp and transaction duties) or similar liability paid, payable or assessed as being payable by any Governmental Agency together with any fines, penalties and interest in connection with them.
Tax Act	means the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) and the Taxation Administration Act 1953 (Cth), as the context requires.
Tax Authority	means any Government Agency having the administration of any Tax or Taxes.
Tax Return	means any returns, declarations, statements, claim for refund, election, estimate, reports, forms and information returns and any schedules or amendments thereto relating to Taxes.
TFN	means Australian tax file number.
Third Party	means a person other than Bidder, any other Bidder Group Member and each of their respective Associates.
Timetable	means the timetable for the implementation of the Transaction set out in Attachment 1.
Trading Day	has the meaning given to that term in the Listing Rules.
Transaction	means the acquisition of the Scheme Shares by Bidder through implementation of the Scheme in accordance with the terms of this deed.
Transaction Advisory Costs	means the fees and expenses incurred or payable, or which may be incurred or payable, by an ALO Group Member to a Financial Adviser or other adviser for the provision of services in connection with the Transaction. This will also include any bonuses payable to employees in connection with the Transaction including applicable on costs.
Transaction Document	means: (a) this deed; (b) the Scheme; and (c) the Deed Poll.

1.2 **Interpretation**

In this deed:

(a) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this deed;

(b) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this deed and references to this deed include any schedules or annexures;

(c) a reference to a party to this deed or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(e) a reference to a document or agreement (including a reference to this deed) is to that document or agreement as amended, supplemented, varied or replaced;

(f) a reference to this deed includes the agreement recorded by this deed;

(g) the singular includes the plural and the plural includes the singular;

(h) headings and bold type are for convenience only and do not affect the interpretation of this deed;

(i) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(j) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;

(k) a reference to any time is, unless otherwise indicated, a reference to that time in Brisbane, Australia;

(l) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(m) if any day on or by which a person must do something under this deed is not a Business Day, then the person must do it on or by the next Business Day;

(n) if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;

(o) a reference to a person includes a corporation, trust, partnership, unincorporated body, Government Agency, or other entity whether or not it comprises a separate legal entity;

(p) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(q) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;

(r) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

(s) a reference to '$' or 'dollar' is to Australian currency;

(t) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;

(u) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', or 'for example' (or similar phrases) do not limit what else might be included; and

(v) a reference in this deed to "date of this deed" is a reference to the date the deed was amended on 13 June 2023.

1.3 **Knowledge, belief or awareness**

(a) In this deed, in relation to a reference to the knowledge, belief or awareness of:

(i) ALO or an ALO Group Member's knowledge, belief or awareness is limited to the actual knowledge, belief or awareness of William Creedon having made reasonable enquiries of his direct reports and the knowledge, belief or awareness of any other person will not be imputed to ALO nor any other ALO Group Member (except to the extent referred to in this clause 1.3(a)(i)); and

(ii) Bidder or a Bidder Group Member's knowledge, belief or awareness is limited to the actual knowledge, belief or awareness of Patrick Elliott and James Murphy as at the date of this deed or such other date as provided for in this deed, having made reasonable enquiries of their direct reports and the knowledge, belief or awareness of any other person will not be imputed to Bidder nor any other Bidder Group Member (except to the extent referred to in this clause 1.3(a)(ii)).

(b) Without limiting clause 7, none of the persons referred to in clause 1.3(a) will bear any personal liability in respect of the ALO Representations and Warranties, the Bidder Representations and Warranties or otherwise under this deed, except where such person has engaged in wilful misconduct, wilful concealment or fraud.

1.4 **Best and reasonable endeavours**

Any provision of this deed which requires a party to use best endeavours, all reasonable endeavours or similar to procure that something is performed or occurs or does not occur does not include any obligation to:

(a) pay any money or to provide any financial compensation, or any other incentive to or for the benefit of any person in the form of an inducement or consideration except for payment of:

(i) any applicable fee for the lodgement or filing of any relevant application with any Government Agency; or

(ii) immaterial expenses or costs, including costs of advisers,

to procure the relevant thing (except, in each case, in circumstances that are commercially onerous or unreasonable in the context of this deed); or

(b) commence or defend any legal action or proceeding against any person,

except, in each case, where that provision expressly specifies otherwise and, for the avoidance of doubt, that party will not breach the relevant provision requiring the use of best endeavours, all reasonable endeavours or similar where the party does not procure that the thing is performed or occurs or does not occur as a result of matters outside the control or influence of the party.

2. Agreement to proceed with the Transaction

The parties agree that:

(a) ALO will propose the Scheme;

(b) Bidder will assist ALO to propose the Scheme; and

(c) they will implement the Scheme,

on and subject to the terms and conditions of this deed.

3. Conditions Precedent and pre-implementation steps

3.1 Conditions Precedent

Subject to the remaining provisions in this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, unless and until each of the following Conditions Precedent is satisfied or waived (to the extent and in the manner set out in this clause 3):

(a) **FIRB Approval**: before 5.00pm on the Business Day before the Second Court Date one of the following has occurred:

(i) Bidder has received written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia (**Treasurer**), advising that the Commonwealth Government has no objections to the Transaction, either unconditionally or on terms that are acceptable to Bidder acting reasonably (subject to clause 3.2(i)(viii));

(ii) the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Transaction and the Transaction is not prohibited by section 82 of the FATA; or

(iii) where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision;

(b) **ASIC and ASX**: before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents, waivers, relief or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Scheme, and those consents, waivers, relief or approvals or other acts have not been withdrawn or revoked at that time;

(c) **Regulatory Approvals**: before 8:00am on the Second Court Date all Regulatory Approvals, other than those referred to in clause 3.1(a), which are necessary, or which the parties agree are desirable, to implement the Schemes have been issued or received (as applicable) either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably) and such Regulatory Approvals remain in full force and effect in all respects and have not been withdrawn, cancelled or revoked as at 8.00am on the Second Court Date;

(d) **Shareholder approval**: ALO Shareholders approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities;

(e) **Independent Expert**: the Independent Expert:

(i) issues an Independent Expert's Report which concludes that the Scheme is in the best interests of ALO Shareholders before the time when the Scheme Booklet is registered by ASIC; and

(ii) does not change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date;

(f) **Court approval**: the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by Bidder in accordance with clause 4.2);

(g) **Release of Escrowed Shares**: before 8.00am on the Second Court Date, ALO has unconditionally released from escrow all of the Escrowed Shares;

(h) **ALO Options**: on or before 8:00am on the Second Court Date, the ALO Board has made a determination that each outstanding ALO Option will be exercised in exchange for ALO Shares or will lapse or be terminated in accordance with the ALO Employee Option Plan, ALO Lead Manager Option Plan or ALO Director Option Plan (as applicable) by 5:00pm on the Business Day before the Scheme Record Date;

(i) **Restraints**: no law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency which restrains, prohibits, impedes or otherwise materially adversely impacts upon (or could reasonably be expected to restrain, prohibit, or otherwise materially adversely impede or impact upon) implementation of the Scheme, is in effect at 8.00am on the Second Court Date;

(j) **No ALO Material Adverse Change**: no ALO Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Bidder, between (and including) the date of this deed and 8.00am on the Second Court Date;

(k) **No ALO Prescribed Occurrence**: no ALO Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date;

(l) **ALO Representations and Warranties**: the ALO Representations and Warranties are true and correct in all material respects at all times between the date of this deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date.

(m) **Bidder Representations and Warranties**: the Bidder Representation and Warranties are true and correct in all material respects at all times between the date of this deed and as at 8.00am on the Second Court Date, except where expressed to be operative at another date.

(n) **Founding Shareholders' entry into SHD**: before 8:00am on the Business Day before the Second Court Date the Founding Shareholders agree in writing to sign the SHD, subject to the Scheme becoming Effective.

(o) **Change of control consents**: before 8:00am on the Second Court Date, in respect of each Consent Contract to which a member of the ALO Group is a party, each relevant counterparty giving its written approval to the transfer of Scheme Shares to Bidder in accordance with the Scheme (including to the change of control of ALO) and waiving any rights it may have to prevent the transfer.

3.2 **Satisfaction of conditions**

(a) ALO must, to the extent it is within its power to do so, use its best endeavours to procure that each of the Conditions Precedent in 3.1(d) (*Shareholder approval*), 3.1(e) (*Independent Expert*), 3.1(f) (*Court approval*), 3.1(g) (*Release of Escrowed Shares*), 3.1(h) (*ALO Options*), 3.1(j) (*No ALO Material Adverse Change*), 3.1(k) (*No ALO Prescribed Occurrence*), 3.1(l) (*ALO Representations and Warranties*) and 3.1(o) (*Change of control consents*) are satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that such Condition Precedent is to be satisfied.

(b) Bidder must, to the extent it is within its power to do so, use its best endeavours to procure that the Conditions Precedent in clause 3.1(a) (*FIRB Approval*) and 3.1(m) (*Bidder Representations and warranties*) are satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that such Condition Precedent is to be satisfied.

(c) Each party must, to the extent it is within its respective power to do so, use its best endeavours to procure that:

(i) the Conditions Precedent in clauses 3.1(b) (*ASIC and ASX*), 3.1(c) (*Regulatory Approvals*), and clause 3.1(o) (*change of control consents*) are satisfied; and

(ii) there is no occurrence or non-occurrence within its control or the control of, in the case of ALO, any other ALO Group Member, or, in the case of Bidder, any other Bidder Group Member, that would (or would be reasonably likely to) prevent any of the Conditions Precedent being or remaining satisfied.

(d) ALO will not be in breach of its obligations under clauses 3.2(a) or 3.2(c) to the extent that it takes an action or omits to take an action:

(i) as required or expressly permitted to be done or expressly permitted not to be done, by this deed;

(ii) in connection with an actual, proposed or potential Competing Proposal as permitted by clause 10; or

(iii) which has been consented to in writing by Bidder (such consent not to be unreasonably withheld or delayed).

(e) Bidder will not be in breach of its obligations under clauses 3.2(a) or 3.2(c) to the extent that it takes an action or omits to take an action:

(i) as required or expressly permitted to be done or expressly permitted not to be done, by this deed; or

(ii) which has been consented to in writing by ALO (such consent not to be unreasonably withheld or delayed).

(f) In respect of the Condition Precedent in clause 3.1(i) (*Restraints*):

(i) Bidder and ALO must each use their best endeavours to challenge or otherwise seek to release or overturn the applicable law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree prior to 8.00am on the Second Court Date; and

(ii) if any restraint contemplated in the Condition Precedent in clause 3.1(i) is in effect at 5.00pm on the Business Day prior to the Second Court Date, Bidder and ALO shall consult with each other (each acting reasonably and in good faith) to consider delaying the Second Court Date and, if applicable, extend the End Date in order to facilitate the satisfaction of the Condition Precedent in clause 3.1(i).

(g) In respect of the Conditions Precedent in clauses 3.1(j) (No ALO Material Adverse Change) and 3.1(m) (No ALO Prescribed Occurrence), if:

(i) an ALO Material Adverse Change occurs between (and including) the date of this deed and 8.00am on the Second Court Date, the Condition Precedent in clause 3.1(j) (No ALO Material Adverse Change) will not be taken to have been breached or not satisfied; or

(ii) an ALO Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date, the Condition Precedent in clause (3.1(k) (No ALO Prescribed Occurrence) will not be taken to have been breached or not satisfied,

unless:

(iii) to the extent Bidder is actually aware of the occurrence of an ALO Material Adverse Change or an ALO Prescribed Occurrence (as applicable), Bidder has given written notice to ALO in accordance with clause 3.5, and such notice also sets out the relevant circumstances of the breach to the extent Bidder is actually aware of such circumstances; and

(iv) either:

(A) the breach is incapable of being remedied; or

(B) ALO has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which such notice is given or the breach is incapable of being remedied.

For the avoidance of doubt, if ALO has failed to remedy a ALO Prescribed Occurrence or a ALO Material Adverse Change by 5pm on the Business Day (being in this case 5pm on the applicable Business Day in Sydney time) before the Second Court Date, clause 3.2(g)(iii) and clause 3.2(g)(iv) will not apply and Bidder may exercise any rights it has in relation to such events under this deed.

(h) No party is required to use any endeavours to satisfy, or procure the satisfaction of, the Condition Precedent in 3.1(n).

(i) Without limiting this clause 3.2 and except to the extent prohibited by a Government Agency:

(i) Bidder must as soon as reasonably practicable after the date of this deed, apply for or file all relevant Regulatory Approvals and provide to ALO a copy of all those applications or notifications;

(ii) Bidder must take all steps reasonably required, and for which it is responsible, under each Regulatory Approval process, including paying the relevant fees and responding to requests for information at the earliest practicable time;

(iii) Bidder must keep ALO reasonably informed of progress in relation to each Regulatory Approval (including in relation to any matters raised, or conditions or other arrangements proposed, in connection with the Regulatory Approvals) and provide ALO with information reasonably requested in connection with the Regulatory Approvals and their progress and to the extent practicable, by consulting with ALO in advance in respect of the proposed content of those communications with any Government Agency (only to the extent relevant to the Scheme) and

(iv) Bidder must consult with ALO in advance in relation to the process and progress of obtaining and (only to the extent relevant to the Scheme) provide all material communications with Government Agencies regarding any of the Regulatory Approvals and provide ALO with a copy of any material communication with a Government Agency in relation to seeking and/or obtaining the Regulatory Approvals as soon as reasonably practicable and in any event within 3 Business Days after it is made or received (including in relation to any conditions or undertakings imposed or required by a Government Agency in relation to a Regulatory Approval, and details of any such conditions or undertakings),

provided that:

(v) ALO shall co-operate in good faith with Bidder to enable it to fulfil its obligations under this clause and will promptly provide such information or assistance as Bidder may reasonably require for that purpose;

(vi) Bidder may withhold or redact information or documents from ALO if and to the extent that they are either confidential or commercially sensitive and/or privileged to a Bidder Group Member or a Third Party;

(vii) neither party is required to disclose materially commercially sensitive or privileged information to the other party; and

(viii) in relation to the FIRB Approval in clause 3.1(a), Bidder must agree or accept any conditions or undertakings consistent with the form of tax conditions published by or on behalf of FIRB prior to the date of this deed in items 1 to 6 in section D of FIRB's guidance note 12 on 'Tax Conditions' (in the form last updated on 9 July 2021) and no other conditions or undertakings in its discretion.

3.3 **Waiver of Conditions Precedent**

(a) The Conditions Precedent in clauses 3.1(c) (*Regulatory Approvals*), 3.1(d) (*Shareholder approval*) and 3.1(f) (*Court approval*) cannot be waived.

(b) The Conditions Precedent in clauses 3.1(a) (*FIRB Approval*), 3.1(h) (*ALO Options*), 3.1(j) (*No ALO Material Adverse Change*), 3.1(k) (*No ALO Prescribed Occurrence*), 3.1(l) (*ALO Representations and Warranties*), 3.1(n) (*Founding Shareholders' entry into SHD*), and 3.1(o) (*change of control consents*) are for the sole benefit of Bidder and may only be waived by Bidder (in its absolute discretion) in writing.

(c) The Condition Precedent in clauses 3.1(e) (*Independent Expert*) and 3.1(m) (*Bidder Representations and Warranties*) are for the sole benefit of ALO and may only be waived by ALO (in its absolute discretion) in writing.

(d) The Condition Precedent in clauses 3.1(b) (*ASIC and ASX*), 3.1(g) (*Release of Escrowed Shares*) and 3.1(i) (*Restraints*) is for the benefit of both parties and may only be waived by agreement between Bidder and ALO.

(e) If ALO or Bidder waives the breach or non-satisfaction of any of the Conditions Precedent, that waiver does not prevent that party from suing the other party for any breach of this deed that resulted in the breach or non-satisfaction of the relevant Condition Precedent.

(f) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:

(i) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same event; or

(ii) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event.

3.4 **Termination on failure of Condition Precedent**

(a) If there is an event or occurrence that would, does or will prevent any of the Conditions Precedent being satisfied (including, for the avoidance of doubt, if ALO Shareholders do not approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities), or if any of the Conditions Precedent becomes incapable of being satisfied, by the earlier of:

(i) the time and date specified in this deed for the satisfaction of that Condition Precedent; and

(ii) the End Date,

or such Condition Precedent is otherwise not satisfied by that specified time and date or by the End Date (as applicable), and the breach or non-fulfilment of the relevant Condition Precedent that has occurred or would otherwise occur has not been or cannot be waived in accordance with clause 3.3, or the Scheme has not otherwise become Effective on the End Date, then ALO may give Bidder or Bidder may give ALO written notice (**Consultation Notice**) requiring ALO and Bidder to consult in good faith to:

(iii) consider and, if agreed, determine, whether the Transaction may proceed by way of alternative means or methods;

(iv) consider changing and, if agreed, change, the date of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving

the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Bidder and ALO, unless there is no reasonable prospect that the Condition Precedent will be satisfied before the End Date; or

(v) consider extending and, if agreed, extend, the time and date specified in this deed for the satisfaction of that Condition Precedent or the End Date (as applicable),

respectively.

(b) Subject to clauses 3.4(c) and 3.4(d), if ALO and Bidder are unable to reach agreement under clause 3.4(a) within the earlier of five Business Days after the date on which the Consultation Notice is given and five Business Days before the time and date specified in this deed for the satisfaction of the Condition Precedent, then, unless:

(i) the relevant Condition Precedent has been waived in accordance with clause 3.3; or

(ii) the party, or in the case of clause 3.3(d), each party, entitled to waive the relevant Condition Precedent in accordance with clause 3.3 confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied, or would mean the relevant Condition Precedent would or will not otherwise be satisfied,

either ALO or Bidder may terminate this deed without any liability to the other because of that termination (in which case, for the avoidance of doubt, clause 13.4 applies).

(c) A party may not terminate this deed pursuant to clause 3.4(b) if:

(i) the relevant occurrence or event, the failure of the Condition Precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 or 3.5 by that party, although in such circumstances the other party may still terminate this deed; or

(ii) the relevant Condition Precedent is stated in clause 3.3 to be for the sole benefit of the other party.

(d) If the Condition Precedent in clause 3.1(d) (*Shareholder Approval*) is not satisfied only because of a failure to obtain the majority required by sub-subparagraph 411(4)(a)(ii)(A) of the Corporations Act, then either ALO or Bidder may by written notice to the other within three Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that sub-subparagraph, provided the party has, in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable (including, but not limited to, because the relevant party considers (acting reasonably) that the splitting by one or more ALO Shareholders of a holding of ALO Shares into two or more parcels of ALO Shares (whether or not it results in any change in beneficial ownership of the ALO Shares) or some other abusive or improper conduct may have caused or contributed to the majority required by sub-subparagraph 411(4)(a)(ii)(A) of the Corporations Act not having been obtained). If such a notice is given, ALO must make such submissions to the Court and file such evidence as counsel engaged by ALO to represent it in Court proceedings related to the Scheme, in consultation with Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under sub-subparagraph 411(4)(a)(ii)(A) of the Corporations Act. If the Court's approval is given, the Condition Precedent in clause 3.1(d) (*Shareholder Approval*) is deemed to be satisfied for all purposes.

3.5 **Certain notices relating to Conditions Precedent**

If a party becomes aware of:

(a) the satisfaction of a Condition Precedent or of any material progress towards such satisfaction; or

(b) the happening of an event or occurrence that would, does or will:

(i) prevent a Condition Precedent being satisfied; or

(ii) mean that any Condition Precedent will not otherwise be satisfied,

before the time and date specified for its satisfaction (or being satisfied by the End Date, if no such time and date is specified) or such Condition Precedent is not otherwise satisfied by that time and date (including, for the avoidance of doubt, if ALO Shareholders do not approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities),

it must advise the other party by notice in writing, as soon as possible (and in any event within two Business Days of the event, occurrence or circumstance referred to in clauses 3.5(a) or 3.5(b) occurring). For the avoidance of doubt, multiple notices may be required under this clause 3.5.

4. Transaction steps

4.1 **Scheme**

(a) ALO must propose the Scheme to ALO Shareholders on and subject to the terms of this deed.

4.2 **No amendment to the Scheme without consent**

ALO must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder.

4.3 **Bidder may elect nominee**

(a) At any time prior to the date that is five Business Days before the First Court Date, Bidder may nominate any directly or indirectly wholly-owned subsidiary of Bidder or an entity of which directors of the Bidder are a majority of the directors (**Bidder Nominee**) to acquire all of the Scheme Shares under the Scheme by providing a written notice which sets out the details of the Bidder Nominee to ALO. If Bidder nominates a Bidder Nominee to acquire all of the Scheme Shares in accordance with this clause 4.3:

(i) Subject to the Scheme becoming Effective and the Bidder Nominee discharging all obligations of the Bidder under the Scheme, the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee rather than Bidder;

(ii) unless the context requires otherwise, any references in this deed, the Deed Poll or the Scheme to the Bidder acquiring the Scheme Shares or taking any other action under or in respect of this deed, the Deed Poll or the Scheme are to be read as references to the Bidder Nominee doing so, and the parties shall document any necessary modifications to the Scheme and the Deed Poll prior to the First Court Date;

(iii) Bidder must procure that the Bidder Nominee and Bidder HoldCo:

(A) comply with all of the relevant obligations of Bidder and Bidder HoldCo under this deed, the Scheme and the Deed Poll; and

(B) enter into the Deed Poll (together with Bidder, as required by this deed); and

(iv) any such nomination will not relieve Bidder of any of its obligations under this deed, the Scheme or the Deed Poll, including, but not limited to, the obligation to pay (or, if applicable, procure the payment by the Bidder Nominee of) the Scheme Consideration in accordance with the terms of the Scheme. However, ALO agrees that Bidder will not be in breach of, and will have no liability under, this deed for failing to discharge an obligation of Bidder under this deed if Bidder Nominee fully discharges that obligation.

4.4 **Scheme Consideration**

(a) Subject to the Scheme becoming Effective, the Bidder undertakes to ALO that in consideration of the transfer of each of the Scheme Shares held by the Scheme Shareholders, it will accept the transfer and provide or procure the provision of the Scheme Consideration in accordance with the Scheme

(b) If Bidder is required by Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) to pay amounts to the Australian Taxation Office (**ATO**) in respect of the acquisition of ALO Shares from certain Scheme Shareholders, Bidder is entitled to deduct or withhold the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders and remit those amounts to the ATO. Bidder will not be obliged to increase the aggregate sum paid to Scheme Shareholders by the amount of the deduction and the net aggregate sum payable to those Scheme Shareholders should be taken to be in full and final satisfaction of amounts owing to those Scheme Shareholders. Bidder must pay any amount to the ATO in the time permitted by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.

5. Implementation

5.1 **General obligations and Timetable**

(a) Subject to clause 5.1(b), without limiting the parties' obligations under clauses 5.2 to 5.14 (inclusive), the parties must each use all reasonable endeavours to commit necessary resources (including management and the resources of external advisers) and ensure that their respective officers and advisers work in good faith and in a timely and cooperative fashion with the other party (including by attending meetings and by providing information) to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable, subject to the terms and conditions of this deed.

(b) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 5.1(a) to the extent that such failure is due to circumstances and matters outside that party's control (including, for the avoidance of doubt, any delays caused by a Government Agency).

(c) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.

(d) To the extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside of a party's control, the parties will consult in good faith to agree to any necessary extension to ensure such matters are completed within the shortest possible timeframe.

5.2 **ALO's obligations**

Subject to any change of recommendation by the ALO Board that is permitted by clause 5.9, ALO must take all necessary steps to implement the Scheme on and subject to the terms of this deed as soon as is reasonably practicable and, without limiting the foregoing, subject to clauses 5.1(a) and 5.1(b), (i) use all reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (and must consult with Bidder on a regular basis about its progress in that regard), (ii) do any acts it is authorised and able to do on behalf of ALO Shareholders, and (iii) without limiting the foregoing, do each of the following:

(a) **preparation of Scheme Booklet**: subject to clauses 5.3(a) and 5.3(b), prepare and despatch the Scheme Booklet in accordance with all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules;

(b) **ALO Board's recommendation**: include in (i) the Scheme Booklet and (ii) the public announcement contemplated by clause 8.1, a statement by:

(i) the ALO Board (excluding the Founders), unanimously recommending that ALO Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of ALO Shareholders; and

(ii) each ALO Director (excluding the Founders) that he or she will (subject to the same qualifications as set out in clause 5.2(b)(i)) vote, or procure the voting of, any ALO Director Shares at the time of the Scheme Meeting in favour of the Scheme Resolution at the Scheme Meeting,

unless there has been a withdrawal, adverse change, adverse modification or adverse qualification of recommendation permitted by clause 5.9(c);

(c) **promote merits of Transaction**: consider in good faith and if considered appropriate by the ALO Board participate in efforts reasonably requested by Bidder to promote the merits of the Transaction and the Scheme Consideration, including but not limited to meeting with key ALO Shareholders at the reasonable request of the Bidder;

(d) **paragraph 411(17)(b) statement**: apply to ASIC for the production of:

(i) an indication of intent letter stating that it does not intend to appear before the Court, or intervene to oppose the Scheme, at the First Court Hearing; and

(ii) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

(e) **Court direction**: apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing ALO to convene the Scheme Meeting and, without limiting clause 5.2(g), lodge all relevant documents with the Court and take all other reasonable

steps necessary to ensure that such application is heard by the Court at the First Court Hearing;

(f) **Scheme Meeting**: convene and hold the Scheme Meeting to seek ALO Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act at the First Court Hearing;

(g) **Court documents**: prepare, and consult with Bidder in relation to the content of, the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including the originating process, affidavits, submissions and draft minutes of Court orders) and:

(i) provide drafts of those documents to Bidder in a timely manner;

(ii) provide Bidder with a reasonable opportunity to review and comment on those documents before they are lodged or filed with the Court; and

(iii) consider in good faith, for the purpose of amending drafts of those documents, comments from Bidder and its Related Persons on those documents;

(h) **Court approval**: if the Scheme is approved by ALO Shareholders under subparagraph 411(4)(a)(ii) of the Corporations Act and it can reasonably be expected that all of the Conditions Precedent (other than the Condition Precedent in clause 3.1(f) (*Court approval*)) will be satisfied or waived in accordance with this deed before 8.00am on the Second Court Date, apply to the Court for orders approving the Scheme as agreed to by the ALO Shareholders at the Scheme Meeting and, without limiting clause 5.2(g), lodge all relevant documents with the Court and take all other reasonable steps necessary to ensure that such application is heard by the Court at the Second Court Hearing (and, if it becomes apparent that a Condition Precedent (other than the Condition Precedent in clause 3.1(f) (*Court approval*)) will not be satisfied or waived in accordance with this deed before 8.00am on that proposed Second Court Date, apply for an adjournment of that proposed Second Court Date to a date agreed in writing between the parties);

(i) **certificate**: at the Second Court Hearing, provide to the Court (through ALO's counsel):

(i) a certificate (signed for and on behalf of ALO) in the form of a deed (substantially in the form set out in Attachment 4) confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent in clause 3.1 (other than the Condition Precedent in clause 3.1(f) (*Court approval*)) have been satisfied or waived in accordance with this deed, a draft of which certificate must be provided by ALO to Bidder by 4.00pm on the date that is two Business Days prior to the Second Court Date; and

(ii) any certificate provided to it by Bidder pursuant to clause 5.3(j);

(j) **lodge copy of Court order**: if the Court approves the Scheme, lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by Bidder);

(k) **Scheme Consideration**: if the Scheme becomes Effective, procure the distribution of the Scheme Consideration on the Implementation Date, in accordance with the Scheme and the Deed Poll;

(l) **transfer and registration**: if the Scheme becomes Effective and subject to Bidder having paid the Scheme Consideration in accordance with the Scheme and Deed Poll:

(i) execute, on behalf of Scheme Shareholders, instruments of transfer of the Scheme Shares to Bidder; and

(ii) give effect to and register all transfers of the Scheme Shares to Bidder on the Implementation Date;

(m) **consultation with Bidder in relation to Scheme Booklet**: consult with Bidder as to the content and presentation of the Scheme Booklet including:

(i) providing to Bidder drafts of the Scheme Booklet and the Independent Expert's Report in a timely manner and within a reasonable time before the Regulator's Draft is finalised for the purpose of enabling Bidder to review and comment on those draft documents. In relation to the Independent Expert's Report, Bidder's review is to be limited to a factual accuracy review;

(ii) considering and taking (and, where applicable, promptly providing to the Independent Expert in writing) all timely and reasonable comments made by Bidder into account in good faith when producing revised drafts of the Scheme Booklet;

(iii) providing to Bidder a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Bidder to review and comment on the Regulator's Draft before the date of its lodgement with ASIC; and

(iv) obtaining written consent from Bidder for the form and content in which the Bidder Information appears in the Scheme Booklet (which consent must not be unreasonably withheld or delayed);

(n) **due diligence and verification**: undertake appropriate due diligence and verification processes in relation to the ALO Information;

(o) **review of Bidder Information**: as soon as practicable after receiving a draft of the Bidder Information pursuant to clause 5.3(a), review and provide comments on the form and content of the Bidder Information to Bidder and liaise with Bidder to finalise the Bidder Information for inclusion in the Scheme Booklet;

(p) **approval of draft Scheme Booklet**: procure that a meeting of the ALO Board is convened as promptly as reasonably practicable to approve the draft Scheme Booklet to be provided to ASIC for its review and despatched to ALO Shareholders;

(q) **lodgement of Regulator's Draft**: no later than 14 days before the First Court Date, provide the Regulator's Draft to ASIC for its review for the purposes of subsection 411(2) of the Corporations Act (except that ALO must not lodge a copy of the Regulator's Draft with ASIC that includes any Bidder Information unless Bidder has provided its consent under clause 5.3(a)), and provide a copy of the Regulator's Draft to Bidder as soon as practicable thereafter;

(r) **ASIC and ASX review of Scheme Booklet**: keep Bidder reasonably informed of any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and consult with, and consider in good faith any reasonable comments made by, Bidder in relation to such matters raised by ASIC or ASX (provided that, where such issues relate to Bidder Information, ALO must not take any steps to address them without Bidder's prior written consent, which must not be unreasonably withheld or delayed);

(s) **registration of Scheme Booklet**: if the Court directs ALO to convene the Scheme Meeting, take all reasonable measures within its control to cause ASIC to register the Scheme Booklet under subsection 412(6) of the Corporations Act on the first Business Day after such Court orders are made or as soon as reasonably practicable thereafter;

(t) **despatch of Scheme Booklet**: as soon as reasonably practicable following the receipt of Bidder's written consent to the inclusion of the Bidder Information in the form and context in which the Bidder Information appears in such version of the Scheme Booklet (which must not be unreasonably withheld or delayed) and the subsequent registration of the Scheme Booklet by ASIC, despatch the Scheme Booklet to ALO Shareholders;

(u) **representation**: procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act and allow, and not oppose, any application by Bidder for leave of the Court to be represented by counsel at such a Court hearing;

(v) **Independent Expert**: promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates thereto);

(w) **compliance with laws**: do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws, regulations and policy;

(x) **listing**: subject to clauses 5.2(z) and 5.2(aa), not do anything to cause ALO Shares to cease being quoted on ASX or to become suspended from quotation prior to implementation of the Transaction unless Bidder has agreed in writing;

(y) **update Scheme Booklet**: until the date of the Scheme Meeting, promptly update or supplement the Scheme Booklet with, or where appropriate otherwise inform the market by way of announcement of, any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet:

  (i) contains all information that is required to be disclosed to ALO Shareholders under any applicable law or RG 60; and

  (ii) is not misleading or deceptive in any material respect and does not contain any statement that is or has become false or misleading in a material respect including because of any omission from that statement, and, subject to compliance with this clause 5.2(y), seek the Court's approval for the despatch of any updated or supplementary Scheme Booklet. ALO must consult with Bidder in good faith as to the need for, form of, and if, applicable, content and presentation of the updated or supplementary Scheme Booklet, or the market announcement, in the manner contemplated by clause 5.2(m). To the extent that the supplementary disclosure relates to (or constitutes) Bidder Information, it may only be made with Bidder's prior written consent (not to be unreasonably withheld or delayed);

(z) **suspension of trading**: if the Scheme becomes Effective, apply to ASX to suspend trading in ALO Shares with effect from the close of trading on the Effective Date;

(aa) **removal from quotation**: if the Scheme becomes Effective, apply to ASX to have ALO removed from the official list of ASX, and quotation of ALO Shares on the ASX terminated,

with effect on and from the close of trading on the Trading Day immediately following the Implementation Date (unless otherwise directed by the Bidder in writing);

(bb) **Bidder Information**: without the prior written consent of Bidder, not use the Bidder Information for any purposes other than those expressly contemplated by this deed or the Scheme;

(cc) **conduct in dealings with ALO Shareholders**: act in a manner (and use its best endeavours to procure that the ALO Directors act in a manner) that is consistent with the ALO Board's Recommendation in any and all dealings with ALO Shareholders before the Scheme Meeting;

(dd) **proxy reports**: keep Bidder reasonably informed of the status of proxy forms received for the Scheme Meeting, including over the period commencing ten Business Days before the Scheme Meeting and ending on the deadline for receipt of proxy appointments;

(ee) **provision of ALO Share Register**: provide, or procure the provision to Bidder or a nominee of Bidder, a complete copy of the ALO Share Register:

(i) as at the date of this deed, as soon as practicable (and in any event within two Business Days) after the date of this deed; and

(ii) as at the Scheme Record Date, as soon as practicable (and in any event within one Business Day) after the Scheme Record Date,

in each case which must comprise, including the name, Registered Address and registered holding of each ALO Shareholder and Scheme Shareholder as at the date of this deed or the Scheme Record Date, respectively. The details and information to be provided under this clause 5.2(ee) must be provided in a form as Bidder or its nominee may reasonably require;

(ff) **implementation of Scheme**: if the Scheme becomes Effective, do all things required of it under the Scheme and all other things (if any) necessary for ALO to do to lawfully give effect to the Scheme including all things reasonably required to give effect to, the Scheme and the orders of the Court approving the Scheme under section 411(4)(b) of the Corporations Act;

(gg) **efficiently prosecute the Transaction**: work expeditiously and efficiently in the prosecution of the Transaction;

(hh) **delivery of due diligence:** ALO will make available promptly to Bidder the Disclosure Materials; and

(ii) **all things necessary or desirable**: do all other things contemplated by or reasonably necessary or desirable to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

5.3 **Bidder's obligations**

Bidder must take all necessary steps to implement the Scheme on and subject to the terms of this deed as soon as is reasonably practicable and, without limiting the foregoing, must (i) subject to clause 5.1(a), use all reasonable endeavours to ensure that each step in the Timetable is met by the

date set out beside that step (and must consult with ALO on a regular basis about its progress in that regard), and (ii) do each of the following:

(a) **Bidder Information**: as soon as reasonably practicable after the date of this deed, prepare and promptly provide to ALO the Bidder Information for inclusion in the Scheme Booklet, and consent to the inclusion of that information in the Scheme Booklet (which consent must not be unreasonably withheld or delayed);

(b) **Scheme Booklet and Court documents**: promptly provide any assistance or information reasonably requested by ALO in connection with the preparation of the Scheme Booklet (including any updated or supplementary Scheme Booklet) and any documents required to be filed with the Court in respect of the Scheme, promptly review the drafts of the Scheme Booklet (including any updated or supplementary Scheme Booklet) prepared by ALO and provide comments on those drafts in a timely manner and in good faith;

(c) **Independent Expert's Report**: subject to the Independent Expert entering into arrangements with Bidder including in relation to confidentiality in a form reasonably acceptable to Bidder, provide any assistance or information reasonably requested by ALO or by the Independent Expert in connection with the preparation of the Independent Expert's Report to be sent together with the Scheme Booklet (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates thereto);

(d) **representation**: procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;

(e) **Deed Poll**: by no later than the Business Day prior to the First Court Date, execute (and procure that Bidder Nominee and the Bidder HoldCo execute) and deliver to ALO the Deed Poll;

(f) **due diligence and verification**: undertake appropriate due diligence and verification processes in relation to the Bidder Information;

(g) **accuracy of Bidder Information**: before the Regulator's Draft is lodged with ASIC and again before the Scheme Booklet is despatched to ALO Shareholders, confirm in writing to ALO that the Bidder Information in the Scheme Booklet is not misleading or deceptive in any material respect, including by way of omission;

(h) **share transfer**: if the Scheme becomes Effective:

  (i) accept a transfer of the Scheme Shares as contemplated by clause 4.4(a); and

  (ii) execute instruments of transfer in respect of the Scheme Shares;

(i) **Scheme Consideration**: if the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;

(j) **certificate**: before the commencement of the hearing on the Second Court Date, provide to ALO for provision to the Court at that hearing a certificate (signed for and on behalf of Bidder) in the form of a deed (substantially in the form set out in Attachment 4) confirming (in respect of matters within Bidder's knowledge) whether or not the Conditions Precedent in clause 3.1 (other than the Condition Precedent in clause 3.1(f)) have been satisfied or waived in accordance with this deed, a draft of which certificate must be provided by Bidder to ALO by 4.00pm on the date that is two Business Days prior to the Second Court Date;

(k) **financing**:

(i) at all times between the date of this deed and 8.00am on the Second Court Date, ensure it has a reasonable basis to expect that Bidder will have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements) to satisfy Bidder's obligations to provide the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll; and

(ii) by 8.00am on the Second Court Date, ensure it has available to it on an unconditional basis (other than conditions related to the Court approval, the Scheme becoming Effective and other conditions of a procedural nature which, by their nature, can only be satisfied or performed after the Second Court Date) sufficient cash amounts (whether from internal cash reserves or external funding arrangements) to satisfy Bidder's obligations to provide the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll;

(l) **update Bidder Information**: until the date of the Scheme Meeting, promptly provide to ALO any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Bidder Information contained in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any statement that is or has become false or misleading in a material respect including because of any omission from that statement;

(m) **assistance**: up to (and including) the Implementation Date and subject to obligations of confidentiality owed to Third Parties and undertakings to Government Agencies, provide ALO and its Related Persons with reasonable access during normal business hours to information and personnel of Bidder Group that ALO reasonably requests for the purpose of preparation of the Scheme Booklet and implementation of the Transaction; and

(n) **compliance with laws**: do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations.

5.4 **Conduct of business**

(a) Subject to clause 5.4(b), from the date of this deed up to and including the Implementation Date, without limiting any other obligations of ALO under this deed, ALO must:

(i) conduct, and must procure that each ALO Group Member conducts, its businesses and operations (including the business of the ALO Group as a whole) in the ordinary and usual course and in substantially the same manner in which such businesses and operations have been conducted before the date of this deed, including with respect to employment and employee benefits and the engagement of independent contractors, consultants and service providers;

(ii) comply, and must procure that each ALO Group Member complies, in all material respects, with all applicable Authorisations, laws and regulations (including the Listing Rules) and that it and each ALO Group Member does not otherwise do or omit to do anything which might result in the variation, termination, suspension, revocation or non-renewal of any Authorisation held by that ALO Group Member which is material to the operation of its business or the business of the ALO Group;

(iii) comply, and must procure that each ALO Group Member complies, in all material respects, with all material contracts to which it is party and does not waive any

material rights under any such material contract to terminate or amend in any material respect any such material contract (or agree to do any of the foregoing);

(iv) use, and must procure that each ALO Group Member uses, reasonable endeavours to:

(A) maintain and preserve its businesses and assets in the ordinary course and consistent with past practice;

(B) keep available the services of its officers and employees;

(C) preserve its relationships with:

(I) Government Agencies; and

(II) customers, clients, suppliers, landlords, licensors, licensees, joint venture partners and others having business dealings with ALO or any other ALO Group Member;

(D) maintain (and, where necessary, use reasonable efforts to renew) each of its material Authorisations applicable to each ALO Group Member and promptly notify Bidder if any renewal is not accepted by the relevant Government Agency;

(E) subject to clause 7.3, maintain (and, where necessary renew on substantially the same or similar terms to the extent reasonably available) the policies of insurance held by the ALO Group that are in force as at the date of this deed and promptly notify Bidder if any renewal proposal is not accepted by the relevant insurer; and

(F) not enter into any line of business or other activity, in each case which is material, in which the ALO Group is not engaged as of the date of this deed or materially alter the scale of the business or other activity of the ALO Group (to the extent within ALO Group's control);

(v) ensure that:

(A) no ALO Prescribed Occurrence occurs;

(B) no ALO Regulated Event occurs; and

(C) there is no occurrence within an ALO Group Member's reasonable control that would constitute or be likely to constitute an ALO Material Adverse Change (and ALO must take all steps reasonably within its power to ensure that any such events do not occur).

(b) Nothing in clause 5.4(a) restricts the ability of ALO, or any ALO Group Member, to take or not take any action:

(i) which is required or expressly permitted by this deed or the Scheme;

(ii) which has been agreed to by Bidder in writing (which agreement must not be unreasonably withheld or delayed) or requested by Bidder in writing;

(iii) which is required by any applicable law, regulation, or Accounting Standard (but for the avoidance of doubt not including as a result of any election or similar action by

ALO or any ALO Group Member which is not required by the applicable law, regulation or Accounting Standard), contract (but only to the extent such contract was entered into, and a copy of which was Fairly Disclosed to Bidder, before the date of this deed or otherwise in accordance with this deed) or by a Government Agency; or

(iv) in the case of clause 5.4(a)(i), to reasonably and prudently respond to regulatory or legislative changes (including without limitation changes to subordinate legislation), pandemic or epidemic, affecting the business of ALO or an ALO Group Member to a material extent, provided that, to the extent reasonably practicable, ALO has consulted with Bidder in good faith in respect of the proposal to take such action or not take such action (as applicable) and considers any reasonable comments or requests of Bidder in relation to such proposal in good faith.

5.5 **Existing financing and security**

(a) ALO must cooperate with, and undertake all steps reasonably required or requested in connection with any repayment or early pre-payment of the ALO Group's Financial Indebtedness as may be required by the Bidder, Bidder's Affiliates or its financiers in connection with the Transaction, including:

(i) liaising with its creditors to obtain information on any of the ALO Group's Financial Indebtedness or Encumbrances granted by any of them;

(ii) providing Bidder and/or Bidder's Affiliates with information reasonably requested by Bidder in relation to the using of the existing cash reserves of ALO for such purpose;

(iii) issuing repayment or prepayment notices and obtaining payout letters in relation to the Existing Financing and closing out any hedging positions;

(iv) allowing Bidder and/or Bidder's Affiliates to liaise directly with any trustee, noteholder, facility agent, security trustee, lender or other creditor under the Existing Financing for the purposes of managing an orderly discharge and/or termination of such Existing Financing, and, to the extent reasonably requested by Bidder or Bidder's Affiliates, providing contact details of such creditor(s) and/or making the necessary introductions to facilitate such discharge; and

(v) using all reasonable endeavours to procure agreements of release and/or discharge in respect of real property mortgages (if any), security agreements and registrations on the PPS Register from secured parties in relation to any Security Interest (if any) granted by an ALO Group Member in favour of such secured parties and procuring the return of any title documents held by any such secured parties.

(b) Without limiting clause 5.5(a), ALO must provide reasonable assistance requested by Bidder or Bidder's Affiliates in connection with the orderly transition of any existing credit card facilities or any existing bank guarantee, letter of credit, performance bond or similar instrument issued to any person at the request or direction of any ALO Group Member (**Instrument**), including:

(i) providing details of existing credit card facilities or Instruments to Bidder and/or Bidder's Affiliates; and

(ii) communicating with and providing information to the issuers of the credit card facilities or Instruments to facilitate the replacement, cash backing or other

arrangement for the transition of those credit card facilities or Instruments in connection with the Transaction.

(c) Bidder agrees to reimburse ALO for reasonable fees, costs and expenses reasonably incurred in complying with this clause 5.5 on provision of written evidence of the payment of such fees, costs and expenses.

(d) Between the date of this deed and the Implementation Date, ALO must, and must do all things reasonably within its power to procure that each ALO Group Member does, promptly notify the Bidder if:

(i) it requests or grants a waiver or consent in respect of a material provision of Existing Financing, with reasonable detail of the reason for the request;

(ii) it becomes aware of a breach of Existing Financing or the occurrence of a Financing Default, together with reasonable information in relation to the Financing Default, event or circumstance giving rise to the breach or Financing Default; or

(iii) ALO or any ALO Group Member enters into, unwinds or closes out any Financial Indebtedness in connection with derivative or similar transactions to manage exposure to the fluctuation in the rate or price of currency or interest rates.

(e) ALO must consult in good faith with the Bidder after the date on which a notice is given under clause 5.5(d) to consider and determine the steps that can be taken to avoid, remedy or cure (as the case may be) the relevant Financing Default, and use its best endeavours to avoid the occurrence of, or remedy or cure, any Financing Default.

(f) Subject to clause 5.5(g), nothing in this clause 5.5 will require ALO to do anything to the extent that it would:

(i) unreasonably interfere with the ongoing business or operations of ALO (having regard to, among other things, the reasonableness of the notice given to ALO of any requested assistance or cooperation);

(ii) cause any Condition Precedent to not be satisfied or otherwise cause a breach of this deed;

(iii) require any ALO Group Member to provide any confidential or commercially sensitive information where the provision of such information is reasonably likely to cause prejudice to the commercial or legal interest of the ALO Group;

(iv) require any ALO Group Member to incur any liability in connection with any Transaction Financing prior to the Scheme becoming Effective;

(v) require any ALO Group Member to effect any repayment or pre-payment of Financial Indebtedness prior to the Implementation Date;

(vi) require the approval of shareholders of ALO under section 260B of the Corporations Act or an equivalent or analogous restriction in any jurisdiction; or

(vii) require any ALO Indemnified Party to execute prior to the Scheme becoming Effective any agreements, including any credit or other agreements, pledge or security documents or other certificates, legal opinions or documents in connection with any Transaction Financing.

(g) Should the Bidder require any ALO Group Member to repay or pre-pay Financial Indebtedness within the three Business Days prior to the Implementation Date, the parties will work together constructively to achieve this, including through the provision of debt from a Bidder Group Member.

(h) Bidder agrees to reimburse ALO for its reasonable out of pocket third party costs and expenses incurred as a result of complying with its obligations under this clause 5.6.

5.6 **Transaction Financing**

ALO must use all reasonable endeavours to facilitate liaison between the Bidder and existing financiers, noteholders, transactional banking and other financing counterparties for the purposes of the Bidder notifying and discussing change of control procedures and post-acquisition financing related matters with those financiers and/or managing the repayment and in the case of transactional banking, continuation of those counterparties on or after the Implementation Date.

5.7 **Change of control provisions**

As soon as practicable after the date of this deed, ALO and Bidder must:

(a) each acting reasonably, agree a proposed course of action to obtain any consents or waivers required in accordance with the terms of the Consent Contracts, and then jointly initiate contact with the relevant counterparties and request that they provide any consents or waivers required. Bidder and its Related Persons must not contact any counterparties for this purpose without ALO being present or without ALO's prior written consent (which is not to be unreasonably withheld or delayed).

(b) ALO must cooperate with, and provide reasonable assistance to, Bidder to obtain such consents or waivers as expeditiously as possible, including by promptly providing any information reasonably required by counterparties (but nothing in this clause requires ALO to incur material external expense).

(c) Bidder must cooperate with ALO, and take all action reasonably necessary to comply with any requirements of the counterparties that are reasonably necessary to obtain the relevant consent or waiver, including:

(i) providing any information required and entering into such form of guarantee or security as counterparties may reasonably require; and

(ii) making officers and employees available where necessary to meet with counterparties to deal with any issues arising in relation to the relevant consent or waiver,

provided that nothing in this clause 5.7(c) requires Bidder or a Bidder Group Member to (or consent to):

(iii) agree to any amendments to the relevant Material Contract or continuing financing arrangement; or

(iv) pay any monies to the counterparty, other than as provided for in the relevant Material Contract or continuing financing arrangement.

(d) Provided that ALO has complied with this clause 5.7, a failure by an ALO Group Member to obtain any third party consent or waiver in respect of a Consent Contract will not constitute a breach of this deed by ALO and, together with any consequences that arise, will be

disregarded when assessing the operation of any other provision of this deed other than in respect of an ALO Material Adverse Change.

5.8 **Appointment and resignation of directors**

ALO must

(a) with effect from the Second Court Date cause the appointment of two nominees of Bidder to the ALO Board; and

(b) with effect from the time the Scheme Shares are transferred to Bidder in accordance with the terms of the Scheme, take all actions necessary to:

(i) cause the appointment of any additional nominees of Bidder to the ALO Board (including, for the avoidance of doubt, any secretaries);

(ii) ensure that all directors on the ALO Board and all secretaries of ALO, other than Bidder nominees appointed pursuant to clause 5.8(b)(i), any existing ALO Director which Bidder has agreed in writing will remain on the ALO Board or any existing secretary which Bidder has agreed in writing will remain in office:

(A) resign; and

(B) in respect of the ALO Directors resigning in accordance with clause 5.8(b)(ii)(A), acknowledge in the notice of resignation that each such director has no outstanding claims against ALO or any other ALO Group Member in relation to unpaid director's fees as at the date of the resignation; and

(iii) ensure that all directors on the boards of ALO's Subsidiaries and all secretaries of ALO's Subsidiaries, other than any existing ALO Subsidiary director which Bidder has agreed in writing will remain on the board of the relevant ALO Subsidiary or any existing secretary which Bidder has agreed will remain in office:

(A) resign; and

(B) in respect of the ALO Subsidiary directors resigning in accordance with clause 5.8(b)(iii)(A), acknowledge in the notice of resignation that each such director has no outstanding claims against ALO or the relevant ALO Group Member in relation to unpaid director's fees as at the date of the resignation,

and to cause the appointment of nominees of Bidder to those boards (including, for the avoidance of any doubt, any secretaries),

in each case subject to the requirements of the relevant company's constitution, Corporations Act, Listing Rules and any other applicable laws.

5.9 **ALO Board Recommendation**

(a) ALO represents and warrants to Bidder that, as at the date of this deed, each ALO Director (other than the Founders) has confirmed that:

(i) they do not hold any interest, directly or indirectly, that, as far as they are aware, would prevent them from making the Recommendation in clause 5.9(b), or stating an intention as contemplated in clauses 5.9(a)(ii) and 5.9(a)(iii) respectively;

(ii) pursuant to clause 5.9(b), his or her recommendation is that ALO Shareholders vote in favour of the Scheme at the Scheme Meeting; and

(iii) he or she intends to vote, or cause to be voted, all ALO Shares which he or she Controls as at the date of this deed in favour of the Scheme at the Scheme Meeting,

in each case, in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, the Independent Expert's Report) that the Scheme is in the best interests of Scheme Shareholders.

(b) ALO must use its best endeavours to procure that, subject to clause 5.9(c), the ALO Board (excluding the Founders) recommends that ALO Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, the Independent Expert's Report) that the Scheme is in the best interests of ALO Shareholders (**Recommendation**).

(c) ALO must use its best endeavours to procure that the ALO Board collectively, and each ALO Director participating in the Recommendation individually, does not adversely change, withdraw, adversely modify or adversely qualify (including by making any public statement supporting, endorsing or recommending a Competing Proposal and/or to the effect that he or she no longer supports the Scheme), its or their Recommendation unless:

(i) The Independent Expert concludes in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) that the Scheme is not in the best interests of ALO Shareholders;

(ii) ALO has received a Superior Proposal; or

(iii) the adverse change, withdrawal, adverse modification or adverse qualification in a respect of an ALO Director occurs because of a requirement by a court of competent jurisdiction or ASIC or the Takeovers Panel that the relevant ALO Director abstain or withdraw from recommending that ALO Shareholders vote in favour of the Scheme.

(iv) the recommendation is withdrawn by an ALO Director to the extent that, after first obtaining advice from independent counsel, the ALO Director reasonably determines that he or she has an interest in the Scheme that renders it inappropriate for him or her to make or maintain any such recommendation (**Scheme Interest**), and the Court would be unlikely to grant an order under section 411(1) of the Corporations Act directing ALO to convene the Scheme Meeting or under section 411(4)(b) and 411(6) of the Corporations Act approving the Scheme, in each case solely as a result of the Scheme Interest.

(d) For the purposes of clause 5.9(c), customary qualifications and explanations contained in the Scheme Booklet and any public announcements in relation to a Recommendation to the effect that the Recommendation is made:

(i) in the absence of a Superior Proposal;

(ii) in respect of any public announcement issued before the issue of the Scheme Booklet, 'subject to the Independent Expert concluding in the Independent Expert's

Report (and continuing to conclude) that the Scheme is in the best interests of ALO Shareholders'; and

(iii) in respect of the Scheme Booklet and any public announcements issued at the time of or after the issue of the Scheme Booklet, 'subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ALO Shareholders',

will not be regarded as a failure to make, or an adverse change, withdrawal or adverse modification of a Recommendation.

(e) Despite anything to the contrary in this clause 5.9 or elsewhere in this deed, a statement made by ALO, the ALO Board or any ALO Director to the effect that no action should be taken by ALO Shareholders pending the assessment of a Competing Proposal by the ALO Board or the completion of the matching right process set out in clause 10.4 shall not contravene this clause 5.9.

5.10 **Conduct of Court proceedings**

(a) ALO and Bidder are entitled to separate representation at all Court proceedings affecting the Transaction.

(b) This deed does not give ALO (on the one hand), or Bidder (on the other hand) any right or power to give undertakings to the Court for or on behalf of Bidder (in the case of ALO) or ALO (in the case of Bidder) without that party's written consent.

(c) Each of ALO and Bidder must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this deed.

5.11 **Implementation Committee**

(a) Each party will, as soon as practicable after the date of this deed, notify the other party of its appointees to the Implementation Committee.

(b) Without limiting clause 5.13, between (and including) the date of this deed and the Implementation Date, Implementation Committee will:

(i) oversee implementation of the Scheme; and

(ii) seek to determine how to best integrate the ALO Group's business into the operations of Bidder (including via the provision of regular business updates),

but, for the avoidance of doubt, the Implementation Committee is a consultative body only that will make recommendations to the parties.

(c) The parties must use all reasonable endeavours to procure that the Implementation Committee meets (whether in person or by way of other technology) no less than once a month, commencing on the one month anniversary of the date of this deed.

5.12 **Scheme Booklet content and responsibility statements**

(a) The Scheme Booklet will contain a responsibility statement to the effect that:

(i) Bidder is responsible for the Bidder Information contained in the Scheme Booklet;

(ii) ALO is responsible for the ALO Information contained in the Scheme Booklet; and

(iii) the Independent Expert is responsible for the Independent Expert's Report, and none of ALO, Bidder or their respective directors or officers assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

(b) If the parties disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If after two Business Days complete agreement is not reached after reasonable consultation, then:

(i) where the determination relates to Bidder Information, Bidder will make the final determination as to the form and content of the Bidder Information; and

(ii) in any other case, ALO (acting reasonably) will make the final determination as to the form and content of the Scheme Booklet.

5.13 **Access to information and management**

Between (and including) the date of this deed and the Implementation Date, ALO must, and must cause each other ALO Group Member to, provide to Bidder and Bidder Group Members and a reasonable number of their respective representatives (in accordance with the terms of the Confidentiality Deed):

(a) reasonable access to information, premises and such senior executives of any ALO Group Member as reasonably requested by Bidder at mutually convenient times, and provide Bidder reasonable co-operation, for the sole purpose of:

(i) the implementation of the Transaction;

(ii) obtaining an understanding, or furthering its understanding, of the ALO Group or its business, operations, financial position (including with respect to taxes, cash flow and working capital position), trading performance, prospects, contractual arrangements and management control systems (including information technology and data) or assets;

(iii) Bidder developing, finalising and implementing its plans for the ALO Group following implementation of the Transaction;

(iv) finalisation of Bidder's structuring arrangements for the Transaction; and

(v) any other purpose agreed between the parties;

(b) regular reports on the financial affairs of the ALO Group in the form which is ordinarily used by ALO, including the ALO Group's monthly management accounts to Bidder in a timely manner,

provided that:

(c) nothing in this clause 5.13 will require ALO to provide, or procure the provision of, information concerning or in connection with any ALO Director's, the ALO Board's (or any sub-committee of the ALO Board's) and management's consideration of:

(i) the Scheme or any proposal by Bidder at any time in relation to the acquisition of an interest in ALO; or

(ii) any actual, proposed or potential Competing Proposal;

(d) the provision of information pursuant to this clause 5.13 must not result in unreasonable disruptions to, or interference with, the ALO Group's business and day to day operations in the ordinary course;

(e) Bidder must, and must procure that its representatives, each other Bidder Group Member and their respective representatives:

(i) keep all information obtained by it or them as a result of this clause 5.13 confidential in accordance with the terms of the Confidentiality Deed;

(ii) provide ALO with reasonable notice of any request for information or access; and

(iii) comply with the requirements of ALO in relation to any access granted; and

(f) nothing in this clause 5.13:

(i) gives Bidder or any other Bidder Group Member any rights to undertake further due diligence investigations, or any rights as to the decision making of any ALO Group Member or its business;

(ii) will require ALO to provide, or procure the provision of, information concerning the ALO Group's business that is, in the reasonable opinion of ALO, commercially sensitive, including any specific pricing and margin information or customer details where the provision of such information is reasonably likely to cause prejudice to the commercial or legal interests of the ALO Group taken as a whole; and

(iii) will require ALO to provide, or procure the provision of, information if to do so would or would be reasonably likely to:

(A) breach any confidentiality obligation owed to a Third Party, applicable law, regulatory requirement, Authorisation or court order; or

(B) result in a waiver or loss of attorney-client or other legal professional privilege.

5.14 **Appeal process**

If the Court refuses to make any orders directing ALO to convene the Scheme Meeting or approving the Scheme, ALO and Bidder must:

(a) consult with each other in good faith as to whether to appeal the Court's decision; and

(b) appeal the Court's decision unless the parties agree otherwise under clause 5.14(a) or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success.

6. Representations and warranties

6.1 **Bidder's representations and warranties**

Bidder represents and warrants to ALO (in its own right and separately as trustee or nominee for each of the other ALO Indemnified Parties) that each of the Bidder Representations and Warranties is true and correct.

6.2 **Bidder's indemnity**

Bidder agrees with ALO (in its own right and separately as trustee or nominee for each of the other ALO Indemnified Parties) to indemnify ALO and each of the ALO Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that ALO or any of the other ALO Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Bidder Representations and Warranties.

6.3 **ALO's representations and warranties**

Subject to clause 6.5, ALO represents and warrants to Bidder (in its own right and separately as trustee or nominee for each Bidder Indemnified Party) that, as at the date of this deed, each of the ALO Representations and Warranties is true and correct.

6.4 **ALO's indemnity**

Subject to clause 6.5, ALO agrees with Bidder (in its own right and separately as trustee or nominee for each Bidder Indemnified Party) to indemnify Bidder and each of the Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the ALO Representations and Warranties.

6.5 **Qualifications on ALO's representations, warranties and indemnities**

The ALO Representations and Warranties made or given in clause 6.3, and the indemnity in clause 6.4, are each subject to matters that:

(a) have been Fairly Disclosed in the information provided by or on behalf of ALO to the Bidder or its respective representatives in the course of its due diligence investigations in relation to the ALO Group prior to the date of this deed, including the Disclosure Materials;

(b) any announcement by ALO to the ASX prior to the date of this deed; and

(c) are within the actual knowledge of Bidder as at the date of this deed.

6.6 **Survival of representations and warranties**

Each representation and warranty made or given in clause 6.1 or clause 6.3 (as applicable):

(a) is severable;

(b) survives the termination of this deed; and

(c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

6.7 **Survival of indemnities**

Each indemnity in this deed (including those in clauses 6.2 and 6.4):

(a) is severable;

(b) is a continuing obligation;

(c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and

(d) survives the termination of this deed.

6.8 **Timing of representations and warranties**

Each representation and warranty made or given under clauses 6.1 or 6.3 is given at the date of this deed and repeated continuously thereafter until 8.00am on the Second Court Date, unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

6.9 **Notification obligations**

(a) ALO must notify Bidder in writing as soon reasonably practicable after ALO becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of an ALO Representation and Warranty. A notice provided by ALO to Bidder under this clause must contain reasonable details of the relevant fact, matter or circumstance that resulted in, or might reasonably be expected to result in, a breach of an ALO Representation and Warranty.

(b) Bidder must notify ALO in writing as soon reasonably practicable after Bidder becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of a Bidder Representation and Warranty. A notice provided by Bidder to ALO under this clause must contain reasonable details of the relevant fact, matter or circumstance that resulted in, or might reasonably be expected to result in, a breach of a Bidder Representation and Warranty.

6.10 **No representation or reliance**

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

(b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

7. Releases

7.1 **ALO and ALO directors and officers**

To the maximum extent permitted by law, the Bidder releases its rights against each ALO Indemnified Party (other than members of the ALO Group) and undertakes that it will not make any claim or demand of any nature (howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any such ALO Indemnified Party in connection with any breach of any representations, covenants or warranties in this document or any disclosures in connection with this document except where the ALO Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud.

7.2 **Release by ALO**

To the maximum extent permitted by law, ALO releases its rights against each Bidder Indemnified Party (other than members of the Bidder Group) and undertakes that it will not make any claim or

demand of any nature (howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise) against any such Bidder Indemnified Party in connection with any breach of any representations, covenants or warranties in this document or any disclosures in connection with this document except where the Bidder Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud.

7.3 **Deeds of indemnity and insurance**

(a) Subject to the Scheme becoming Effective and the Transaction completing, Bidder undertakes in favour of ALO and each other ALO Indemnified Party that it will:

(i) for a period of seven years from the Implementation Date, ensure that the constitutions of ALO and each other ALO Group Member continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than an ALO Group Member;

(ii) procure that ALO and each other ALO Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time; and

(iii) without limiting the foregoing, ensure that directors' and officers' run-off insurance cover placed pursuant to clause 7.3(b) below is maintained for a period of seven years from the retirement date of each applicable director and officer and not take any deliberate action which would prejudice or adversely affect any directors' and officers' run-off insurance cover taken out in accordance with clause 7.3(b).

(b) Bidder acknowledges that, notwithstanding any other provision of this deed, ALO must prior to the Implementation Date, enter into arrangements to secure directors' and officers' run-off insurance for up to such seven year period referred to in clause 7.3(a)(iii) (**D&O Run-off Policy**) and pay all premiums required (up to an amount approved in writing by the parties on or about the date of this deed), and that any actions to facilitate that insurance or in connection with such insurance will not, by themselves, be an ALO Material Adverse Change, an ALO Prescribed Occurrence or an ALO Regulated Event or a breach of any provision of this deed, or give rise to any right to terminate this deed, and will be disregarded when assessing the operation of any other part of this deed, provided that:

(i) ALO must use all reasonable endeavours to obtain the most attractive commercial terms for the D&O Run-off Policy from a reputable insurer;

(ii) ALO keeps Bidder informed of progress in relation to the D&O Run-off Policy and provides Bidder with all information reasonably requested by Bidder in connection with the progress of obtaining placing, or progress, of the D&O Run-off Policy;

(iii) ALO consults with Bidder in advance in relation to the progress of obtaining, and all material communications with potential providers regarding, the D&O Run-off Policy;

(iv) the scope and amount of the cover of the D&O Run-off Policy is on the same terms, or terms that are reasonably the same in all material respects, as the existing insurance policies in place for the directors and officers of ALO as at the date of this deed (it being acknowledged that the market for cover is dynamic and reasonable

regard is to be had to the extent to which the level and type of cover in place under the existing policies is available for the extended run-off); and

(v) if requested in writing by Bidder (and provided there is a reasonable period to obtain an alternative quote and enter into the D&O Run-off Policy before the date of the Scheme Meeting), ALO will, before entering into the Proposed D&O Run-off Policy (as defined below) obtain a quote from reputable insurers nominated in writing by Bidder (**Alternative Insurers**) for a D&O Run-off Policy sourced in accordance with (and which would comply with) clauses 7.3(b)(i) to 7.3(b)(iv) (**Alternative D&O Policy**), which is on the same terms, or terms that are the same in all material respects, as the D&O Run-off Policy which is proposed to be entered into by ALO (**Proposed D&O Run-off Policy**) (which was sourced in accordance with (and which would comply with) clauses 7.3(b)(i) to 7.3(b)(iv)) and if:

(A) the estimated total costs under that Alternative D&O Run-off Policy are equal to or greater than the estimated total costs under the Proposed D&O Run-off Policy;

(B) the Alternative Insurers decline to participate or provide a quote; or

(C) the Alternative Insurers fail to provide a quote within a period of time that would allow the policy to be entered into before the date of the Scheme Meeting,

then ALO will proceed to enter into the Proposed D&O Run-off Policy. However, if the estimated total costs under the Alternative D&O Run-off Policy are less than the estimated total costs under the Proposed D&O Run-off Policy and there is a reasonable period for ALO to enter into the Alternative D&O Run-off Policy before the date of the Scheme Meeting, ALO Board must consider in good faith entering into the Alternative D&O Run-off Policy, unless Bidder agrees otherwise in writing.

(c) The undertakings contained in this clause 7.3 are subject to any Corporations Act restriction and will be read down accordingly.

(d) ALO receives and holds the benefit of this clause 7.3, to the extent it relates to the other ALO Indemnified Parties, as trustee for each of them.

8. Public announcement

8.1 **Announcement of the Transaction**

Immediately after the date of this deed, ALO must issue a public announcement in a form agreed in writing between ALO and Bidder.

8.2 **Public announcements**

Subject to clause 8.3, no public announcement or public disclosure of or in relation to the Transaction or any other transaction the subject of this deed or the Scheme (**Proposed Public Announcement**) may be made by an ALO Group Member or a Bidder Group Member other than in a form approved by each party in writing (such approval not to be unreasonably withheld or delayed). A party must provide the other party with a draft copy of any Proposed Public Announcement as soon as reasonably practicable before it is proposed that such Proposed Public

Announcement is made, and must give the other party a reasonable opportunity to comment on the form and content of the draft Proposed Public Announcement and must take into account all reasonable comments from that party on the draft. For the avoidance of doubt, this clause 8.2 does not apply to any announcement or disclosure in connection with an actual, proposed or potential Competing Proposal.

8.3 **Required disclosure**

(a) Despite any provision of the Confidentiality Deed, where a party is required by applicable law or the Listing Rules to make any announcement or to make any disclosure in connection with the Transaction, or any other transaction the subject of this deed or the Scheme, it may do so despite clause 8.2.

(b) Despite any provision of the Confidentiality Deed, before any disclosure is made in reliance on clause 8.3(a), to the extent reasonably practicable and permitted by the relevant law:

(i) the party required to make the disclosure (**Disclosing Party**) must use best endeavours to notify the other party as soon as reasonably practicable after it becomes aware that disclosure is required; and

(ii) the Disclosing Party must use best endeavours to give the other party an opportunity to comment on the proposed form of the disclosure and amend any factual inaccuracy, and consider in good faith any other comments of the other party on the form of the disclosure,

other than where such disclosure relates to, or is in connection with, an actual, potential or proposed Competing Proposal.

9. Confidentiality

(a) ALO and Bidder acknowledge and agree that they continue to be bound by the Confidentiality Deed after the date of this deed (for so long as the relevant Confidentiality Deed binds that party in accordance with its terms).

(b) The rights and obligations of the parties under the Confidentiality Deed survive termination of this deed (for so long as the Confidentiality Deed binds that party in accordance with its terms).

(c) Nothing in this deed derogates from the rights and obligations of a party under the Confidentiality Deed, provided that this deed prevails to the extent of any inconsistency between this deed and the Confidentiality Deed.

10. Exclusivity

10.1 **No shop, no talk and no due diligence**

(a) During the Exclusivity Period, ALO must not, and must ensure that each other ALO Group Member and each of ALO and ALO Group Member's Related Persons do not directly or indirectly:

(i) **No shop**:

(A) solicit, invite, encourage, facilitate or initiate any enquiries, expressions of interests, offers, proposals, negotiations, discussions or other communications by any person:

(I) in relation to, or which may reasonably be expected to encourage or lead to the making of; or

(II) with a view to obtaining,

any actual, proposed or potential Competing Proposal; or

(B) communicate to any person any intention to do anything referred to in clauses 10.1(a)(i)(A)(I) or 10.1(a)(i)(A)(II); or

(ii) **No talk**: subject to clause 10.2:

(A) facilitate, participate in or continue in negotiations or discussions with any person with respect to an enquiry, expression of interest, offer, proposal, discussion, negotiation or other communication by any person in relation to, or which may reasonably be expected to encourage or lead to the making of, any actual, proposed or potential Competing Proposal;

(B) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into any agreement, arrangement or understanding with any person regarding any actual, proposed or potential Competing Proposal;

(C) communicate to any person an intention to do anything referred to in 10.1(a)(ii)(A) or 10.1(a)(ii)(B),

even if the relevant Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by ALO, any other ALO Group Member, or a Related Person of an ALO Group Member or the relevant person has publicly announced the Competing Proposal; or

(iii) **No due diligence:** subject to clause 10.2:

(A) disclose or otherwise provide or make available any non-public information about the business, assets or affairs of the ALO Group or any ALO Group Member (**Non-public ALO Information**) to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which may reasonably be expected to lead to the formulation, development, finalisation, receipt, or announcement of any actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the ALO Group) whether by that Third Party or another person; or

(B) communicate to any person an intention to do any of these things referred to in clause 10.1(a)(iii)(A),

provided that nothing in this clause 10.1(a) prevents or restricts ALO or any of its Related Persons and Related Bodies Corporate or the Related Persons of those Related Bodies Corporate from responding to a Third Party in respect of an enquiry, expression of interest, offer or proposal by that Third Party to make, or

which may reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal to merely (A) acknowledge receipt and/or (B) advise that Third Party that ALO is bound by the provisions of this clause 10.1(a) and is only able to engage in negotiations, discussions or other communications if the fiduciary out in clause 10.2 applies.

(b) ALO represents and warrants to Bidder that, as at the date of this deed:

(i) no ALO Group Member nor any of its Related Persons is, directly or indirectly, participating in any negotiations or discussions with a Third Party that concern, or could reasonably be expected to lead to, any actual, proposed or potential Competing Proposal;

(ii) each ALO Group Member and its Related Persons has ceased any negotiations or discussions with any Third Party in respect of any actual, proposed or potential Competing Proposal (other than, for the avoidance of doubt, the discussions with Bidder and its Related Persons in respect of the Scheme and the Transaction); and

(iii) each ALO Group Member and its Related Persons has ceased the provision of any Non-public ALO Information to any Third Party, where the provision of Non-public ALO Information was for the purposes of, or was provided in connection with, any actual, proposed or potential Competing Proposal.

(c) As soon as practicable after the date of this deed and in any event no later than 5 Business Days after the date of this deed, ALO must use (and must procure that each ALO Group Member uses) reasonable endeavours to exercise any rights it has that enable it to require that any Third Party to which it has disclosed information in the 18 months preceding the date of this deed in connection with any actual, proposed or potential Competing Proposal, return or destroy that information.

10.2 **Fiduciary exception**

Clauses 10.1(a)(ii) (*No talk*) and 10.1(a)(iii) (*No due diligence*) do not prohibit or restrict any action or inaction by ALO, any other ALO Group Member, or any of their respective Related Persons, in relation to a bona fide, actual, proposed or potential Competing Proposal if the ALO Board, acting in good faith, has determined:

(a) after consultation with ALO's Financial Adviser and external legal advisers, that the Competing Proposal is, or could reasonably be expected to lead to a Superior Proposal; or

(b) after receiving written legal advice from its external legal advisers, that compliance with clause 10.1(a)(ii) (*No talk*) and/or 10.1(a)(iii) (*No due diligence*) (as applicable) would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the ALO Directors,

provided that the Competing Proposal was not brought about by, or in respect of which there has not been, a breach of clause 10.1 or clause 10.3.

10.3 **Notification of Competing Proposals**

(a) During the Exclusivity Period, ALO must as soon as reasonably practicable (and in any event within 24 hours) notify Bidder in writing if it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:

(i) negotiations, discussions or other communications, or approach, in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal;

(ii) approach or proposal made to, or received by, ALO, any of its Related Bodies Corporate or any of their respective Related Persons, in connection with, or in respect of any exploration or completion of, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal (or which is otherwise, of itself, a Competing Proposal);

(iii) any request made by a Third Party for any Non-public ALO information (other than where the ALO Board reasonably believes that such request is not in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any actual, proposed or potential Competing Proposal); or

(iv) provision by ALO, any of its Related Bodies Corporate or any of their respective Related Persons of any Non-public ALO Information to any Third Party (other than a Government Agency) in connection with a Competing Proposal, a proposed or potential Competing Proposal, or any of the things described in paragraphs 10.3(a)(i) – 10.3(a)(iii) above (inclusive),

whether direct or indirect, solicited or unsolicited, and in writing or otherwise (each, a **Notifiable Proposal**). For the avoidance of doubt, any of the acts described in paragraphs 10.3(a)(i) – 10.3(a)(iv) may only be taken by ALO, its Related Bodies Corporate or their respective Related Persons if permitted by clause 10.2.

(b) A notification given under clause 10.3(a) must include all material terms and conditions of the Notifiable Proposal (including, but not limited to, price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing, conditions precedent and the identity of the Third Party that made, together with any Third Party stated to be involved in, the Notifiable Proposal), in each case to the extent known by ALO, an ALO Group Member or any of their Related Persons.

10.4 **Matching Right**

(a) Without limiting clauses 10.1 and 10.3, during the Exclusivity Period, ALO:

(i) must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, ALO or any Related Body Corporate of ALO proposes or propose to undertake, implement or give effect to any actual, proposed or potential Competing Proposal. For the avoidance of doubt, any such legally binding agreement, arrangement or understanding does not include an ALO Group Member entering into a confidentiality agreement or like agreement including for the sole or dominant purpose of providing Non-public ALO Information in relation to an actual, proposed or potential Competing Proposal; and

(ii) must procure that, in relation to a Competing Proposal, none of the ALO Directors adversely change, withdraw, adversely modify or adversely qualify their Recommendation, publicly recommend, support or endorse any actual, proposed or potential Competing Proposal (or recommend against the Transaction) or make any

public statement to the effect that they may do so at a future point (subject to any change of recommendation by ALO Directors that is permitted by clause 5.9(c) and provided that a statement that no action should be taken by ALO Shareholders pending the assessment of the Competing Proposal by the ALO Board or the completion of the matching right process set out in this clause 10.4 shall not, by that statement alone, contravene this clause 10.4, provided that the Board publicly reaffirms its Recommendation in favour of the Transaction when making any such statement),

unless:

(iii) the ALO Board has made the determination contemplated by clause 10.2;

(iv) ALO has provided Bidder with a notice stating that it is given for the purposes of this clause 10.4 and setting out all material terms and conditions of the Competing Proposal (including, but not limited to, price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing, conditions precedent and the identity of the Third Party that made, together with any Third Party stated to be involved in, the Competing Proposal) (in each case, to the extent known by ALO, an ALO Group Member or any of their Related Persons);

(v) ALO has given Bidder at least five clear Business Days after the date of the provision of the notice referred to in clause 10.4(a)(iv) to announce or otherwise propose or provide to ALO a written counter-proposal to the Competing Proposal (**Bidder Counterproposal**); and

(vi) Bidder has not announced or otherwise proposed or provided to ALO a Bidder Counterproposal by the expiry of the five clear Business Day period referred to in clause 10.4(a)(v).

(b) If the Bidder announces or otherwise proposes or provides to ALO a Bidder Counterproposal by the expiry of the five clear Business Day period in clause 10.4(a)(v), ALO must procure that the ALO Board promptly considers the Bidder Counterproposal and determines, acting in good faith, after consulting with ALO's Financial Adviser and external legal advisers, whether the Bidder Counterproposal would provide an outcome that is no less favourable (or more favourable) for ALO Shareholders (as a whole) than the Competing Proposal, taking into account all terms and conditions and other aspects of:

(i) the Bidder Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of ALO Shareholders in relation to the Bidder Counterproposal compared to the Competing Proposal, the ability of the proponent to complete the transactions contemplated by the Competing Proposal compared to the Bidder Counterproposal, the probability of the Bidder Counterproposal being completed compared to the Competing Proposal and other relevant legal, financial, regulatory and other matters); and

(ii) the Competing Proposal (including the matters set out in paragraphs (a) and (b) of the definition of 'Superior Proposal'),

(**Matching or Superior Proposal**).

(c) If the ALO Board determines that a Bidder Counterproposal is a Matching or Superior Proposal, then:

(i) ALO must promptly, and in any event within 48 hours, notify Bidder of the determination in writing, stating reasons for that determination; and

(ii) ALO and Bidder must use their best endeavours to agree any amendments to this deed (and any other transaction documents required) and the contents of the Scheme Booklet which are reasonably necessary to reflect and implement the Bidder Counterproposal in each case as soon as reasonably practicable.

(d) If the ALO Board determines that a Bidder Counterproposal is not a Matching or Superior Proposal, then ALO must promptly, and in any event within 48 hours notify Bidder of the determination in writing, stating reasons for that determination.

(e) For the purpose of this clause 10.4:

(i) each new Competing Proposal or successive material variation or amendment to a Competing Proposal will constitute a new Competing Proposal; and

(ii) for the avoidance of doubt, the process set out in this clause 10.4 must again be followed in respect of each new Competing Proposal or successive material variation or amendment to a Competing Proposal prior to ALO or the ALO Board taking any of the actions referred to in clauses 10.4(a)(i) or 10.4(a)(ii).

(f) Despite any other provision in this deed, a statement by ALO, the ALO Board or any ALO Director only to the effect that:

(i) the ALO Board has determined that a Competing Proposal is a Superior Proposal and has commenced the matching right process set out in this clause 10.4; or

(ii) ALO Shareholders should take no action pending the completion of the matching right process set out in this clause 10.4,

does not by itself:

(iii) constitute an adverse change, withdrawal, adverse modification or adverse qualification of the Recommendation by the ALO Directors or an endorsement of a Competing Proposal;

(iv) contravene this deed;

(v) give rise to an obligation to pay the Break Fee under clause 11.2; or

(vi) give rise to a termination right under clause 13.1,

provided that in each case, that the ALO Board publicly re-affirms its Recommendation in favour of the Transaction when making any such statement.

10.5 **Compliance with law**

(a) If it is finally determined by a court of competent jurisdiction, or the Takeovers Panel, that the agreement by the parties under this clause 10 or any part of it:

(i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the ALO Board;

(ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or

(iii) was, or is, or would be, unlawful for any other reason,

then, to that extent (and only to that extent) ALO will not be obliged to comply with that provision of clause 10.

(b) The parties:

(i) must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 10.5; and

(ii) agree that if a Third Party makes an application to the Takeovers Panel or a court for or in relation to a declaration or determination regarding any provision of this clause 10, then each party must make submissions in the course of those proceedings supporting (to the fullest extent reasonably practicable) that no such declaration or determination should be made.

10.6 **ALO obligations**

(a) ALO must procure that, before any Non-public ALO Information is provided to any Third Party in connection with a Competing Proposal in reliance on clause 10.210.2, the Third Party enters into a confidentiality agreement with ALO, and ALO must comply with the Confidentiality Deed.

(b) If any Non-public ALO Information is provided or made available to any Third Party in connection with an actual, proposed or potential Competing Proposal which has not previously been provided or made available to Bidder, then ALO must promptly, and in any event within 2 Business Days, provide to Bidder and its Related Persons:

(i) in the case of written materials, a copy of; and

(ii) in any other case, a written statement of,

that Non-public ALO Information, except that ALO will not have any obligation to provide any Non-public ALO Information to Bidder where it reasonably considers disclosure of such information to Bidder would be reasonably likely to breach any applicable law.

10.7 **No facilitation**

(a) ALO Group must not encourage, facilitate or assist (including by providing Non-public ALO Information):

(i) a Third Party to directly or indirectly through one or more transactions acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 10% or more of ALO Shares; or

(ii) a person who has a Relevant Interest in more than 10% of ALO Shares to dispose of (or agree to dispose of, whether conditionally or otherwise) a Relevant Interest in 10% or more of ALO Shares (including by way of buy-back or other form of capital return or issuance of a security). In determining whether the 10% level has been reached, all disposals (and agreements to dispose) (regardless of whether or not they each relate to a disposal or agreement to dispose of less than 10%) falling with this clause 10.7(a)(ii) will be aggregated.

(b) If a Third Party approaches ALO seeking such facilitation or assistance, ALO must notify Bidder in writing promptly (and in any event within 24 hours) and disclose to Bidder the

identity of the Third Party and any terms and conditions of the proposal known to ALO or its Related Persons.

(c) The registration of a share transfer itself and normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Transaction are excluded from the scope of clause 10.7(a).

10.8 **Usual provision of information**

Subject to the other provisions of this deed and the Confidentiality Deed, nothing in this clause 10 prevents ALO from:

(a) providing any information to other ALO Group Members or their respective Related Persons;

(b) providing any information to any Government Agency;

(c) providing any information required to be provided by any applicable law, including to satisfy its obligations under the Listing Rules or to any Government Agency;

(d) other than in connection with soliciting, inviting, encouraging or initiating an actual, proposed or potential Competing Proposal in breach of the provisions of this deed:

(i) providing any information to its auditors, clients, financiers, joint venturers, suppliers, contractual counterparties or shareholders;

(ii) making presentations to, or responding to enquiries from, brokers, portfolio investors, analysts and other third parties, and engaging with financiers and potential financiers; or

(e) promoting the merits of the Transaction.

11. Break Fee

11.1 **Background to Break Fee**

(a) Bidder and ALO acknowledge that, if they enter into this deed and the Transaction is subsequently not implemented, Bidder will incur significant costs, including those set out in clause 11.4.

(b) ALO and Bidder acknowledge that, in the circumstances referred to in clause 11.1(a), Bidder has requested that provision be made for the Break Fee in accordance with this clause 11, without which Bidder would not have entered into this deed or otherwise agreed to assist ALO to implement the Scheme.

(c) ALO confirms that the ALO Board believes, having taken advice from its external legal advisers, that the implementation of the Transaction will provide significant benefits to ALO and ALO Shareholders and that it is appropriate for ALO to agree to the Break Fee in accordance with this clause 11 in order to secure Bidder's participation in the Transaction.

11.2 **Break Fee triggers**

ALO must pay the Break Fee to Bidder if:

(a) during the Exclusivity Period, any ALO Director:

(i) fails to recommend the Scheme in the manner described in clause 5.9(b) (including for the avoidance of doubt, whether or not ALO has used its best endeavours to procure the Recommendation);

(ii) withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation (including for the avoidance of doubt, whether or not ALO has used its best endeavours to procure the Recommendation) that ALO Shareholders vote in favour of the Scheme in the manner described in clause 5.9(b); or

(iii) makes a public statement:

(A) supporting, endorsing or recommending any Competing Proposal;

(B) to the effect that they no longer support the Scheme; or

(C) otherwise indicating that they no longer recommend the Transaction or recommend that ALO Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

unless:

(iv) the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interests of ALO Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including, but not limited to, a Superior Proposal));

(v) the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme is required by clause 5.9(c)(iii); or

(vi) ALO is entitled to terminate this deed pursuant to clause 13.1(a)(i) or 13.2(b), and has given the appropriate termination notice to Bidder,

provided that, for the avoidance of doubt, a statement made by ALO, the ALO Board or any ALO Director(s) to the effect that no action should be taken by ALO Shareholders pending the assessment of a Competing Proposal by the ALO Board or the completion of the matching right process set out in clause 10.4 will not, by itself require ALO to pay the Break Fee to Bidder provided that the ALO Board publicly re-affirms its Recommendation in favour of the Transaction when making any such statement;

(b) a Competing Proposal of any kind is announced prior to the Effective Date (or, if earlier, the date this deed is terminated under clause 12) (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of its announcement, the Third Party who made the Competing Proposal, or any Associate of that Third Party:

(i) completes a Competing Proposal of the kind referred to in any of paragraphs (b), (c) or (d) of the definition of Competing Proposal; or

(ii) otherwise acquires a Relevant Interest in, or becomes the holder of, or otherwise acquires, directly or indirectly, 50% or more of ALO Shares and that acquisition is unconditional; or

(c) Bidder has terminated this deed pursuant to clauses 13.1(a)(i), 13.2(a) or 13.3 and the Transaction does not complete.

11.3 **Payment of Break Fee**

(a) A demand by Bidder for payment of the Break Fee under clause 11.2 must:

(i) be in writing;

(ii) be made after the occurrence of the event in that clause giving rise to the right to the payment of the Break Fee;

(iii) state the circumstances which give rise to the demand; and

(iv) nominate an account in the name of Bidder into which ALO is to pay the Break Fee.

(b) ALO must pay the Break Fee into the account nominated by Bidder, without set-off or withholding, within 20 Business Days after receiving a demand for payment under clause 11.3(a) where Bidder is entitled under clause 11.2 to the Break Fee.

11.4 **Basis of Break Fee**

ALO and Bidder acknowledge and agree that the amount of the Break Fee has been calculated to reimburse Bidder for costs including the following:

(a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);

(b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;

(c) costs of management and directors' time in planning and implementing the Transaction;

(d) out of pocket expenses and costs incurred by Bidder and Bidder's employees, advisers and agents in planning and implementing the Transaction; and

(e) damage to Bidder's reputation associated with a failed transaction and the implications of that damage to Bidder's business,

in each case, incurred by Bidder directly or indirectly as a result of having entered into this deed and pursuing the Transaction, and ALO and Bidder agree that:

(f) the costs actually incurred by Bidder will be of such a nature that they cannot all be accurately ascertained;

(g) the Break Fee is a genuine and reasonable pre-estimate of those costs; and

(h) both parties have received advice from their respective external legal advisers on the operation of this clause 11.

11.5 **Compliance with law**

(a) This clause 11 does not impose an obligation on ALO to pay the Break Fee to the extent (and only to the extent) that the obligation to pay the Break Fee:

(i) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or

(ii) is determined to be unenforceable or unlawful (including by virtue of it being a breach of the fiduciary or statutory duties of any ALO Director) by a court of competent jurisdiction.

(b) If:

(i) clause 11.5(a) applies; and

(ii) the Takeovers Panel or a court of competent jurisdiction (as applicable) determines that an amount lower than the Break Fee does not constitute unacceptable circumstances or is not unenforceable (as applicable) (**Permitted Break Fee Amount**),

then:

(iii) ALO shall be required to pay the Permitted Break Fee Amount in accordance with clause 11.3; and

(iv) if the Break Fee has already been paid to Bidder, Bidder will refund to ALO within 10 Business Days after receipt of a written demand from ALO an amount equal to the difference between the Break Fee and the Permitted Break Fee Amount to ALO (unless otherwise required by the Takeovers Panel or a court of competent jurisdiction). For the avoidance of doubt, any part of the Break Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by ALO.

(c) Bidder and ALO must not make or cause to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 11.5(a).

11.6 **Break Fee payable only once**

Where the Break Fee becomes payable to Bidder under clause 11.2 and is actually paid to Bidder, Bidder cannot make any claim against ALO for payment of any subsequent Break Fee.

11.7 **Other Claims**

Despite anything to the contrary in this deed, the maximum aggregate liability of ALO for any claims under this deed is the Break Fee and in no event will the aggregate liability of ALO for Claims under this deed and in connection with the Transaction or the Scheme exceed the Break Fee.

11.8 **Exclusive remedy**

Notwithstanding any other provision under this deed, where the Break Fee is paid to Bidder under this deed (or would be payable if a demand was made), Bidder cannot make any claim against ALO or the other ALO Indemnified Parties in relation to any event or occurrence referred to in clause 11.2.

11.9 **No Break Fee in certain circumstances**

Despite anything to the contrary in this deed, the Break Fee will not be payable to Bidder if:

(a) the Scheme becomes Effective; or

(b) prior to the Break Fee becoming payable under clause 11.2, ALO was entitled to terminate this deed under clauses 13.1(a)(i) or 13.2(b), and has given the appropriate termination notice to Bidder,

notwithstanding the occurrence of any event in clause 11.2 and, if this clause 11.9 applies, any amount or part of the Break Fee has already been paid to Bidder must be refunded by Bidder:

(c) where clause 11.9(a) applies, within 10 Business Days after the Implementation Date; or

(d) where clause 11.9(b) applies, within 10 Business Days after the date ALO notifies Bidder that, at the time that the Break Fee became payable under clause 11.2, ALO was entitled to terminate this deed under clauses 13.1(a)(i) or 13.2(b).

12. Reverse Break Fee

12.1 **Background to Reverse Break Fee**

(a) ALO and Bidder acknowledge that, if they enter into this deed and the Transaction is subsequently not implemented, ALO will incur significant costs, including those set out in clause 12.4.

(b) Bidder and ALO acknowledge that, in the circumstances referred to in clause 12.1(a), ALO has requested that provision be made for the Reverse Break Fee in accordance with this clause 12, without which ALO would not have entered into this deed or otherwise agreed to implement the Scheme.

(c) Bidder believes, having taken advice from its external legal advisers, that the implementation of the Scheme will provide benefits to Bidder and that it is appropriate for Bidder to agree to the Reverse Break Fee in accordance with this clause 12 in order to secure ALO's participation in the Transaction. Bidder and ALO must not make or cause or permit to be made any application to the Takeovers Panel or a court for or in relation to a declaration or determination that the Reverse Break Fee is invalid or unenforceable.

12.2 **Reverse Break Fee triggers**

Bidder must pay the Reverse Break Fee to ALO if ALO has terminated this deed pursuant to clauses 13.1(a)(i) or 13.2(b) and the Transaction does not complete.

12.3 **Payment of Reverse Break Fee**

(a) A demand by ALO for payment of the Reverse Break Fee under clause 12.2 must:

(i) be in writing;

(ii) be made after the occurrence of the event in that clause giving rise to the right to payment of the Reverse Break Fee;

(iii) state the circumstances which give rise to the demand; and

(iv) nominate an account in the name of ALO into which Bidder is to pay the Reverse Break Fee.

(b) Bidder must pay the Reverse Break Fee into the account nominated by ALO, without set-off or withholding, within 20 Business Days after receiving a demand for payment under clause 12.3(a) where ALO is entitled under clause 12.2 to the Reverse Break Fee.

12.4 **Basis of Reverse Break Fee**

Bidder and ALO acknowledge and agree that the amount of the Reverse Break Fee has been calculated to reimburse ALO for costs including the following:

(a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);

(b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;

(c) costs of management and directors' time in planning and implementing the Transaction;

(d) out of pocket expenses incurred by ALO and ALO's employees, advisers and agents in planning and implementing the Transaction; and

(e) damage to ALO's reputation associated with a failed transaction and the implications of that damage to ALO's business,

in each case, incurred by ALO directly indirectly as a result of having entered into this deed and pursuing the Transaction, and ALO and Bidder agree that

(f) the costs actually incurred by ALO will be of such a nature that they cannot all be accurately ascertained;

(g) the Reverse Break Fee is a genuine and reasonable pre-estimate of those costs; and

(h) both parties have received advice from their respective external legal advisors on the operation of this clause 12.

12.5 **Compliance with law**

(a) This clause 12 does not impose an obligation on Bidder to pay the Reverse Break Fee to the extent (and only to the extent) that the obligation to pay the Reverse Break Fee:

(i) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or

(ii) is determined to be unenforceable or unlawful by a court of competent jurisdiction.

(b) If:

(i) clause 12.5(a) applies; and

(ii) the Takeovers Panel or a court of competent jurisdiction (as applicable) determines that an amount lower than the Reverse Break Fee does not constitute unacceptable circumstances or is not unenforceable (as applicable) (**Permitted Reverse Break Fee Amount**),

then:

(iii) Bidder will be required to pay the Permitted Reverse Break Fee Amount in accordance with clause 12.3; and

(iv) if the Reverse Break Fee has already been paid to ALO, ALO will refund to Bidder within 10 Business Days after receipt of a written demand from Bidder an amount equal to the difference between the Reverse Break Fee and the Permitted Reverse Break Fee Amount to Bidder (unless otherwise required by the Takeovers Panel or a court of competent jurisdiction). For the avoidance of doubt, any part of the Reverse Break Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by Bidder.

(c) Bidder and ALO must not make or cause to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 12.6(a).

12.6 **Reverse Break Fee payable only once**

Where the Reverse Break Fee becomes payable to ALO under clause 12.2 and is actually paid to ALO, ALO cannot make any claim against Bidder for payment of any subsequent Reverse Break Fee.

12.7 **Other Claims**

Subject to clause 12.9, the maximum aggregate liability of Bidder for any claims under this deed is the Reverse Break Fee and in no event will the aggregate liability of Bidder for Claims under this deed and in connection with the Transaction or the Scheme exceed the Reverse Break Fee other than in the case of fraud by Bidder.

12.8 **Exclusive remedy**

Subject to clause 12.9, the notwithstanding any other provision under this deed, where the Reverse Break Fee is paid to ALO under this deed (or would be payable if a demand was made), ALO cannot make any claim against Bidder or the other Bidder Indemnified Parties in relation to any event or occurrence referred to in clause 12.2, other than in the case of fraud by Bidder.

12.9 **Claims under the clause 4.4 or Deed Poll**

Nothing in clause 12.7 or 12.8 or otherwise in this deed will limit Bidder's liability or ALO's ability to take action under or in connection with breach of clause 4.4 of this deed or the Deed Poll.

13. Termination

13.1 **Termination**

(a) Either ALO or Bidder may terminate this deed by written notice to the other party:

(i) other than in respect of:

(A) a breach of a Bidder Representation and Warranty or an ALO Representation and Warranty (which are dealt with in clause 13.2); or

(B) an ALO Regulated Event (which is dealt with in clause 13.3),

at any time before 8.00am on the Second Court Date, if Bidder (in the case of termination by ALO) or ALO (in the case of termination by Bidder) has materially breached this deed (and the relevant breach is material when taken in the context of the Scheme as a whole), the party entitled to terminate has given written notice to the party in breach of this deed setting out the relevant circumstances and stating an intention to terminate this deed, and the other party in breach of this deed has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given (in which case termination under this clause 13.1(a)(i) will take effect at the expiry of that period);

(ii) in the circumstances set out in, and in accordance with, clause 3.4 (provided that the party purporting to terminate this deed has complied with its obligations in clause 3.4 to the extent applicable);

(iii) if ALO Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities and notice is not given under clause 3.4(d); or

(iv) if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date (provided that the party purporting to terminate this deed has complied with its obligations in clause 3.4 to the extent applicable).

(b) Bidder may terminate this deed by written notice to ALO at any time before 8.00am on the Second Court Date if:

(i) in any circumstances (including where clause 5.9(c) applies), any ALO Director:

(A) fails to recommend the Scheme in the manner described in clause 5.9(b) (including for the avoidance of doubt, whether or not ALO has used its best endeavours to procure such action);

(B) withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that ALO Shareholders vote in favour of the Scheme in the manner described in clause 5.9(b) (including for the avoidance of doubt, whether or not ALO has used its best endeavours to procure such action); or

(C) makes a public statement:

(I) to the effect that they no longer support, endorse, or recommend the Scheme; or

(II) indicating that they no longer recommend the Transaction or recommend that ALO Shareholders accept or vote in favour of a Competing Proposal (but excluding a statement to the effect that no action should be taken by ALO Shareholders pending assessment of a Competing Proposal by the ALO Board or the completion of the matching right process set out in clause 10.4 provided that the Board publicly re-affirms its Recommendation in favour of the Transaction when making such statement),

for any reason and whether or not permitted to do so under this deed, other than in respect of an ALO Director, where that ALO Director is required by a court of competent jurisdiction or ASIC or the Takeovers Panel to abstain from making a Recommendation; or

(ii) in any circumstances, an ALO Group Member enters into a definitive agreement in relation to the implementation of a Competing Proposal. For the avoidance of doubt, any such definitive agreement does not include an ALO Group Member entering into a confidentiality agreement or like agreement for the sole or dominant purpose of providing Non-public ALO Information in relation to an actual, proposed or potential Competing Proposal.

(c) ALO may terminate this deed by written notice to Bidder at any time before 8.00am on the Second Court Date if a majority of ALO Directors:

(i) fail to recommend the Scheme in the manner described in clause 5.9(b);

(ii) withdraw, adversely change, adversely modify or adversely qualify their Recommendation that ALO Shareholders vote in favour of the Scheme in the manner described in clause 5.9(b); or

(iii) make a public statement indicating that they no longer recommend the Transaction or recommend a Competing Proposal (but excluding a statement that no action should be taken by ALO Shareholders pending assessment of a Competing Proposal by the Board or the completion of a matching right process set out in clause 10.4 provided that the Board publicly re-affirms its Recommendation in favour of the Transaction when making any such statement),

in each case, where expressly permitted by, and in accordance with, this deed.

13.2 **Termination for breach of representations and warranties**

(a) Bidder may, at any time prior to 8.00am on the Second Court Date, terminate this deed for a material breach of an ALO Representation and Warranty only if:

(i) Bidder has given written notice to ALO setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;

(ii) the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.2(a)(i); and

(iii) the relevant breach is material in the context of the Scheme taken as a whole.

(b) ALO may, at any time before 8.00am on the Second Court Date, terminate this deed for a material breach of a Bidder Representation and Warranty only if:

(i) ALO has given written notice to Bidder setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;

(ii) the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.2(b)(i); and

(iii) the relevant breach is material in the context of the Scheme taken as a whole.

(c) This deed is terminable if agreed to in writing by Bidder and ALO.

13.3 **Termination for breach of ALO Regulated Event**

Bidder may, at any time prior to 8.00am on the Second Court Date, terminate this deed for a breach of an ALO Regulated Event only if:

(a) Bidder has given written notice to ALO setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;

(b) the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.3(a); and

(c) the relevant breach is material in the context of the Scheme taken as a whole (other than in respect of each ALO Regulated Event in paragraphs (b) (*Material contracts*), (c) (*Capital Expenditure*), (d) (*Disputes*), (e) (*Financing*), (g) (*Guarantees and indemnities*), (h) (*Accounting*), (i) (*Employees*), (j) (*Advisers*), (k) (*Tax*) and (l) (*Related party transactions*) of the definition of ALO Regulated Event, of which any breach of which will enable Bidder to terminate this deed provided Bidder otherwise complies with this clause 13.3).

13.4 **Effect of termination**

If this deed is terminated by either party under clauses 3.4, 13.1, 13.2 or 13.3:

(a) each party will be released from its obligations under this deed, except that this clause 13.4, and clauses 1, 6.5 to 6.10 (inclusive), 7.1, 7.2, 9, 11, 14, 15, 16 and 17 (except clause 17.9), will survive termination and remain in force;

(b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed (including in respect of the breach giving rise to termination, if applicable) or that otherwise accrued before termination of this deed; and

(c) in all other respects (but, for the avoidance of doubt, subject to clause 13.4(a)), all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Scheme.

13.5 **Termination**

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating this deed and otherwise complies with the requirements of the relevant clause of this deed.

13.6 **No other termination**

Neither party may terminate or rescind this deed except as permitted under clauses 3.4, 13.1, 13.2 or 13.3.

14. Duty, costs and expenses

14.1 **Stamp duty**

Bidder:

(a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme, or any transaction effected under this deed or the Scheme; and

(b) indemnifies ALO against any liability arising from its failure to comply with clause 14.1(a).

14.2 **Costs and expenses**

(a) Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

15. GST

(a) Any consideration or amount payable under this deed, including any non-monetary consideration (**Consideration**) is exclusive of GST.

(b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST law.

(c) The Additional Amount payable under clause 15(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.

(d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15(b):

(i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as applicable;

(ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST law; and

(iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within seven days after receiving such notification, as applicable. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

(e) Despite any other provision in this deed if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.

(f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.

(g) Any term starting with a capital letter in this clause 15 that is not defined in this clause 15 has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

16. Notice

16.1 **Method of giving notice**

A notice, consent or communication under this deed is only effective if it is:

(a) in writing and in English;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas; or

(iii) sent by email to that person’s email address.

16.2 **When is notice given**

A notice, consent or communication given under clause 16.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand	(a) That day, if delivered by 5.00pm on a Business Day; or (b) The next Business Day, in any other case.
Sent by email	At the time of departure from the sender's mail server unless the sender receives an automated message generated by the recipient's mail server (**Failure Message**) that the email has not been delivered within two hours. For the avoidance of doubt any response generated by or at the instigation of the recipient (including an 'out of office' message) will not be a Failure Message.
Sent by post	(a) Three Business Days after posting, if sent within Australia; or (b) Seven Business Days after posting, if sent to or from a place outside Australia.

16.3 **Address for notices**

A person's address and email address are those set out in this deed, or as the person otherwise notifies the sender.

17. General

17.1 **Governing law and jurisdiction**

(a) New South Wales law governs this deed.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the New South Wales courts and courts competent to hear appeals from those courts. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

17.2 **Service of process and opinion**

(a) Without preventing any other mode of service, any deed in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under clause 16.

(b) Bidder irrevocably appoints Talbot Sayer as its agent for the service of process in Australia in relation to any matter arising out of this deed. If Talbot Sayer ceases to be able to act as such or have an address in Australia, Bidder agrees to appoint a new process agent in Australia and deliver to the other party within 10 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed. Bidder must inform ALO in writing of any change in the address of its process agent within 10 Business Days of the change.

(c) As soon as reasonably practicable after the date of this deed, and no later than the First Court Hearing, Bidder must obtain from its foreign counsel in the jurisdiction in which it is registered, and provide to ALO, a written legal opinion, in a form agreed to by the parties

prior to entry into this deed, confirming that Bidder has duly executed this deed in accordance with the laws of its place of incorporation and constitution or articles of association.

17.3 **No merger**

The rights and obligations of the parties under this deed do not merge on completion of any transaction contemplated by this deed. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

17.4 **Invalidity and enforceability**

(a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.

(b) Clause 17.4(a) does not apply where enforcement of the provision of this deed in accordance with clause 17.4(a) would materially affect the nature or effect of the parties' obligations under this deed.

17.5 **Waiver**

(a) The failure of a party to require full or partial performance of a provision of this deed does not affect the right of that party to require performance subsequently.

(b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

(c) A right under this deed may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

17.6 **Amendments**

This deed may only be amended by written agreement between all parties.

17.7 **Assignment of rights**

(a) A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party or as expressly provided in this deed.

(b) A breach of clause 17.7(a) by a party shall be deemed to be a material breach for the purposes of clause 13.1(a)(i).

(c) Clause 17.7(b) does not affect the construction of any other part of this deed.

17.8 **No third party beneficiary**

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other person, other than the Bidder Indemnified Parties and the ALO Indemnified Parties, in each case to the extent set forth in this deed, any third party beneficiary rights.

17.9 **Further action to be taken at each party's own expense**

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

17.10 **Entire agreement**

This deed (including the documents in the attachments to it), the Confidentiality Deed and any other document agreed by the parties in writing for the purposes of this clause 17.10 (each a **Relevant Document** and together the **Relevant Documents**) state all the express terms agreed by the parties in respect of their subject matter. The Relevant Documents set out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersede all prior Conduct, discussions and negotiations in respect of their subject matter. Without limiting clause 6.10, no party has relied on or is relying on any other Conduct in entering into this deed and completing the transactions contemplated by it.

17.11 **Counterparts**

(a) This deed may be executed in any number of counterparts and by the parties on separate counterparts.

(b) This deed is binding on the parties on the exchange of duly executed counterparts.

(c) The parties agree that a copy of an original executed counterpart sent by email to the email address of the other parties specified in clause 16, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

17.12 **Electronic execution**

(a) Each party unreservedly and irrevocably agrees that:

(i) this deed may be executed electronically;

(ii) any electronic signature of any signatory on behalf of a party to this deed is conclusive evidence of the party's and the signatory's intention that the party be bound by this deed; and

(iii) this deed shall not be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

(b) If this deed has been signed electronically, each signatory on behalf of that party consents to electronic execution of this deed under section 127(1) of the *Corporations Act* (as modified by schedule 1, part 1, section 6 of the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth)) and confirms that they hold the position indicated at their electronic signature.

17.13 **Relationship of the parties**

(a) Nothing in this deed gives a party authority to bind any other party in any way.

(b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

17.14 **Remedies cumulative**

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.

17.15 **Exercise of rights**

(a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.

(b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

Schedule 1 - Bidder Representations and Warranties

Bidder represents and warrants to ALO (in its own right and separately as trustee or nominee for each of the other ALO Indemnified Parties) that:

(a) **Bidder Information**: the Bidder Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to ALO Shareholders, will not be misleading or deceptive in any material respect (with any statement of belief or opinion having being formed on a reasonable basis), including by way of omission;

(b) **basis of Bidder Information**: the Bidder Information:

(i) will be provided to ALO in good faith and on the understanding that ALO and each other ALO Indemnified Party will rely on that information for the purposes of preparing the Scheme Booklet and determining to proceed with the Transaction; and

(ii) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules,

and all information provided by Bidder to the Independent Expert will, as at the date that information is provided, be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;

(c) **new information**: it will, as a continuing obligation, provide to ALO all further or new information which arises after the Scheme Booklet has been despatched to ALO Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Bidder Information is not misleading or deceptive in any material respect (including by way of omission);

(d) **validly existing**: it is a validly existing corporation registered under the laws of its place of incorporation;

(e) **authority**: the execution and delivery of this deed by Bidder has been properly authorised by all necessary corporate action of Bidder, and Bidder has taken or will take all necessary corporate action to authorise the performance of this deed and to carry out the transactions contemplated by this deed;

(f) **power**: it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed and to carry out the transactions contemplated by this deed;

(g) **no default**: the execution and performance of this deed does not conflict with or result in the breach of or a default under:

(i) any provision of Bidder's constitution or other constituent documents; or

(ii) any writ, order or injunction, judgment, law, rule, ruling or regulation to which it is party or subject or by which it or any other Bidder Group Member is bound,

and Bidder is not otherwise bound by any agreement or deed that would prevent or restrict Bidder from entering into and/or performing this deed;

(h) **deed binding**: this deed is a valid and binding obligation of Bidder, enforceable in accordance with its terms;

(i) **Insolvency Event or regulatory action**: no Insolvency Event has occurred in relation to it or any other Bidder Group Member, nor has any regulatory action of any nature been taken of which Bidder is aware that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this deed or under the Deed Poll;

(j) **no regulatory approvals**:, Bidder does not require any approval, consent, clearance, waiver, ruling, relief, confirmation, exemption, declaration or notice from any Government Agency in order to execute and perform this deed, other than the Regulatory Approvals, the approval provided for in clause 3.1(a) and, for the avoidance of doubt, from ASIC and the Court, as contemplated by this deed;

(k) **reasonable basis**: Bidder has a reasonable basis to expect that Bidder will, on the Implementation Date, have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements) to ensure Bidder can satisfy its obligations to provide the Scheme Consideration in accordance with Bidder's obligations under this deed and the Deed Poll;

(l) **unconditional cash reserves**: by 8.00am on the Second Court Date, Bidder has a reasonable basis to expect that Bidder will have available to it on an unconditional basis (other than conditions relating to the approval of the Court, the Scheme becoming Effective, and other conditions within the control of Bidder but which, by their nature, can only be satisfied or performed after the Second Court Date) sufficient cash amounts (whether from internal cash reserves or external funding arrangements) to satisfy Bidder's obligations to provide the Scheme Consideration in accordance with its obligations under this deed and the Deed Poll;

(m) **other dealings**: other than:

(i) as disclosed to ALO in writing by or on behalf of Bidder on or before the date of this deed; or

(ii) as contemplated by this deed or the Scheme,

no Bidder Group Member (or any of their respective Related Bodies Corporate) has any written agreement, arrangement or understanding with any person in relation to the securities, business, operations or assets of an ALO Group Member or the performance or conduct of the business of the ALO Group (in whole or in part); and

(n) **dealing in ALO securities**: as at the date of this deed:

(i) no Bidder Group Member (or any of their respective Related Bodies Corporate):

(A) has a Relevant Interest in any ALO Shares; or

(B) has a right to acquire any ALO Shares (whether issued or not or held by Bidder or not),

other than as disclosed to ALO in writing by or on behalf of Bidder before the date of this deed; and

(ii) no Bidder Group Member (or any of their respective Related Bodies Corporate) has entered into any agreement, arrangement or understanding that confers rights the

economic effect of which is equivalent or substantially equivalent to holding, acquiring, or disposing of:

(A) securities in ALO or any other ALO Group Member; or

(B) any assets of ALO or any other ALO Group member,

(including cash settled derivative contracts, contracts for difference or other derivative contracts).

Schedule 2 - ALO Representations and Warranties

ALO represents and warrants to Bidder that:

(a) **ALO Information**: the ALO Information contained in the Scheme Booklet, as at the date the Scheme Booklet is despatched to ALO Shareholders, will not be misleading or deceptive in any material respect (with any statement of belief or opinion having being formed on a reasonable basis), including by way of omission;

(b) **basis of ALO Information**: the ALO Information:

(i) will be prepared and included in the Scheme Booklet in good faith and on the understanding that Bidder and each other Bidder Indemnified Party will rely on that information for the purpose of determining to proceed with the Transaction; and

(ii) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules,

and all information provided by ALO to the Independent Expert will, as at the date that information is provided, be provided in good faith and on the understanding that, to the extent accepted by the Independent Expert, the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;

(c) **new information**: it will, as a continuing obligation (but in respect of the Bidder Information, only to the extent that Bidder provides ALO with updates to the Bidder Information), ensure that the Scheme Booklet is updated or supplemented to include all further or new information which arises after the Scheme Booklet has been despatched to ALO Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect (including by way of omission);

(d) **validly existing**: it and each other ALO Group Member is a validly existing corporation or limited liability company registered and in good standing under the laws of its place of incorporation;

(e) **authority**: the execution and delivery of this deed by ALO has been properly authorised by all necessary corporate action of ALO, and ALO has taken or will take all necessary corporate action to authorise the performance by ALO of this deed and the transactions contemplated by this deed;

(f) **power**: it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed;

(g) **no default**: the execution and performance of this deed does not conflict with or result in the breach of or a default under:

(i) any provision of ALO's constitution or any other ALO Group Member's; or

(ii) any writ, order or injunction, judgment, law, ruling or regulation to which it is party or subject or by which it or any other ALO Group Member is bound,

and ALO is not otherwise bound by any agreement or deed that would prevent or restrict ALO from entering into and/or performing this deed;

(h) **deed binding**: this deed is a valid and binding obligation of ALO, enforceable in accordance with its terms;

(i) **capital structure**: ALO's issued securities as at the date of this deed are 200,730,021 ALO Shares and the ALO Options, and other than as Disclosed, it has not issued or granted (or agreed to issue or grant) any other securities (including ALO Shares), options, warrants, performance rights or other instruments which are still outstanding and may convert into (or give the holder the right to be issued) ALO Shares and it is not under any obligation to issue or grant, and no person has any right to require, or call for, the issue or grant of, any ALO Shares, options, warrants, performance rights or other instruments which are still outstanding and may convert (or give the holder the right to be issued) into ALO Shares;

(j) **interest**: the Disclosure Materials will set out full and accurate details of any company, partnership, trust, joint venture or body corporate in which ALO or any other ALO Group Member owns or otherwise holds any interest;

(k) **Insolvency Event or regulatory action**: no Insolvency Event has occurred in relation to it or any other ALO Group Member, nor has any regulatory action of any nature of which it is aware been taken that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this deed or under the Scheme;

(l) **Disclosure Materials**:

(i) ALO has collated and prepared all of the Disclosure Materials in good faith for the purposes of a confirmatory due diligence exercise (but which exercise does not include diligence on information of commercial or competitive sensitivity) and in this context, as far as ALO is aware, such Disclosure materials have been collated with all reasonable care and skill; and

(ii) ALO has not intentionally withheld from the Disclosure Materials given before the date of this Deed any written information that is known to ALO (prior to the date of this deed) to be material to Bidder in light of the Transaction;

(m) **continuous disclosure**: as at the date of this deed ALO has complied, and is in compliance, in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and ALO is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;

(n) **compliance**: the ALO Group has complied in all material respects with all laws and regulations applicable to them and orders of Government Agencies having jurisdiction over it and has all licenses, permits and authorisations necessary for it to conduct the business of the ALO Group as it has been conducted in the 12 months prior to the date of this deed;

(o) **regulatory approvals**: so far as ALO is aware, it does not require any approval, consent, clearance, waiver, ruling, relief, confirmation, exemption, declaration or notice from any Government Agency in order to execute and perform this deed, other than, for the avoidance of doubt, from ASIC and the Court, as contemplated by this deed;

(p) **FIRB**: neither ALO nor any of its Subsidiaries or entities it controls is an Australian land corporation or an Australian land trust, which has an interest in Australian land that is residential land exceeding 10% of the value of the total asset value of the entity. In this paragraph (p), 'controls', 'interest in Australian land', and 'residential land' have the same meaning given to them in the FIRB Act, and 'Australian land corporation', 'Australian land trust', and 'total asset value' have the same meaning given to them in the FIRB Regulation;

(q) **material litigation**: so far as ALO is aware at the date of this deed:

(i) no ALO Group Member is a party to or the subject of any pending claim, litigation, prosecution, mediation, arbitration or other proceedings with any other person which is or may be materially prejudicial to the financial position of the ALO Group taken as a whole (**Material Proceedings**); and

(ii) no ALO Group Member is subject to any outstanding or unsatisfied settlement, judgment, decree, award, order or other decisions of any court, quasi-judicial body or Government Agency in respect of Material Proceedings;

(r) **material contracts**: so far as the ALO Board and the senior management of the ALO Group are aware after making reasonable inquiries of their direct reports, as at the date of this deed;

(i) each ALO Group Member is in material compliance with all material contracts to which it is a party;

(ii) no material breach of any Material Contract subsists; and

(iii) no facts or circumstances exist that would cause a material customer or supplier of the ALO Group to terminate their contract as a result of the entry into this deed and implementation of the Transaction;

(s) **Taxes**:

(i) all Tax Returns and all other material Tax Returns required to be filed by ALO or an ALO Group Member, has been timely filed and all such Tax Returns are or will be true, complete and correct in all material respects;

(ii) all Taxes shown as due and payable on such Tax Returns, and all material amounts of Taxes (whether or not reflected on such Tax Returns) required to have been paid by ALO or an ALO Group Member has been paid or appropriate reserves have been recorded in the financial statements of ALO or an ALO Group Member;

(iii) all Tax liabilities of ALO or an ALO Group Member will be disclosed in the Disclosure Materials;

(iv) No ALO Group Member:

(A) is currently the subject of a material Tax audit or examination or other administrative or judicial proceeding arising therefrom, and to ALO's knowledge, no such audit, examination or proceeding is threatened or contemplated; or

(B) has received from any Tax Authority any written notice of a material proposed adjustment, deficiency or underpayment of Taxes which has not been satisfied by payment or been withdrawn as at the date of this deed;

(v) each ALO Group Member has duly and timely withheld all material amounts of Taxes required to be withheld and such withheld Taxes have been either duly and timely paid to the proper Tax Authority or properly set aside in accounts for such purpose and will be duly and timely paid to the proper Tax Authority; and

(vi) as at the date of this deed, none of the ALO Shares held by persons who could be the ALO Shareholders are indirect Australian real property interests within the meaning of section 855-25 of the Income Tax Assessment Act 1997 (Cth); and

(t) **Government Agency grants**: it and each other ALO Group Member:

(i) has complied with the terms of all material grants or assistance packages (including for the avoidance of doubt, any COVID-19 related grants or assistance packages) issued by a Government Agency (**Grants**); and

(ii) has applied the funds received under those Grants in accordance with the purposes for which the Grants were given.

Signing page

EXECUTED as a deed.

Executed by **Alloggio Group Limited** ACN 645 582 225

Signature of director	Signature of director/company secretary (Please delete as applicable)
Name of director (print)	Name of director/company secretary (print)

Executed by **Next Capital Pty Limited** ACN 111 963 583

Signature of director	Signature of director/company secretary (Please delete as applicable)
Name of director (print)	Name of director/company secretary (print)

Event	Expected Date
First Court Hearing	7 July 2023
Dispatch of Scheme Booklet to ALO Shareholders	13 July 2023
Scheme Meeting	15 August 2023
Second Court Hearing	28 August 2023
Effective Date	28 August 2023
Scheme Record Date	30 August 2023
Implementation Date	6 September 2023

Scheme of arrangement – share scheme

Alloggio Group Limited

Scheme Shareholders

TALBOTSAYER

Talbot Sayer Lawyers ABN 93 168 129 075
Level 27, Riverside Centre
123 Eagle Street, Brisbane QLD 4000 Australia
GPO Box 799, Brisbane QLD 4001 Australia

Ph: +61 7 3160 2900
www.talbotsayer.com.au

Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Name	Alloggio Group Limited	
ACN	645 582 225	
Short form name	**ALO**	
Notice details	Attention	The Directors
	Address	840 Hunter Street, Newcastle, NSW 2300
	Email	matt.keen@alloggio.com.au
Name	Scheme Shareholders Each holder of ALO Shares recorded in the ALO Share Register as at the Scheme Record Date	

Background

A ALO and Bidder have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, ALO agreed to propose this Scheme to ALO Shareholders and each of ALO and Bidder agreed to take certain steps to give effect to this Scheme and the Deed Poll.

B If the Scheme becomes Effective, Bidder (or Bidder Nominee) and Bidder HoldCo will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Scheme and the Deed Poll, Bidder (or Bidder Nominee) will acquire all Scheme Shares and all of the rights and entitlements attaching to them as at the Implementation Date and ALO will enter Bidder (or Bidder Nominee) in the ALO Share Register as the holder of the Scheme Shares.

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Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Scheme:

Term	Definition
ALO	means Alloggio Group Limited ACN 645 582 225.
ALO Group	means ALO and each of its Subsidiaries, and a reference to an **ALO Group Member** is to ALO or any of its Subsidiaries.
ALO Options	means the following options over ordinary shares in ALO issued by ALO: (a) 2,000,000 options granted to John Murphy under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (b) 3,000,000 options granted to William Creedon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (c) 1,000,000 options granted to Karen Howard under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (d) 1,000,000 options granted to Christopher Sneddon under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (e) 1,000,000 options granted to Matthew Keen under the ALO Director Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (f) 2,700,000 options held by Bell Potter Nominees Limited ACN 088 899 601 ATF BB Nominees under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (g) 300,000 options held by On-Market Bookbuilds Pty Ltd ACN 140 632 024 under the ALO Lead Manager Option Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026;

Term	Definition
	(h) 1,000,000 options granted to Michael Potts under the ALO Employee Share Plan with a vesting date of 25 November 2023 and an expiry date of 25 November 2026; (i) 1,000,000 options granted to Shaun Measday under the ALO Employee Option Plan with a vesting date of 25 November 2023 and expiry date of 25 November 2026; and (j) any options granted to Denis Morrissy and Matthew Neill under the ALO Employee Share Plan.
ALO Representation and Warranty	has the meaning given in the Scheme Implementation Deed.
ALO Share	means a fully paid ordinary share in ALO.
ALO Share Register	means the register of members of ALO maintained by or on behalf of ALO in accordance with section 168(1) of the Corporations Act.
ALO Share Registry	means Automic Pty Ltd ACN 152 260 814.
ALO Shareholder	means each person who is registered as the holder of a ALO Share in the ALO Share Register from time to time.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ATO	means Australian Taxation Office.
Bidder	means Next Capital Pty Limited ACN 111 963 583.
Bidder HoldCo	means the holding company of the Bidder Nominee.
Bidder Nominee	has the meaning given to it in clause 4.3(a) of the Scheme Implementation Deed.
Bidder HoldCo Share	means a fully paid ordinary share in Bidder HoldCo.
Business Day	means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.
Cash Scheme Consideration	means an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders under clauses 5.1(b) and 5.3 of this Scheme.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Constitution	means any constitution adopted by Bidder HoldCo and except to the extent overridden by such a constitution,

Term	Definition
	the replaceable rules specified in section 141 of the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth).
Court	means the Sydney Registry of the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and ALO.
Deed Poll	means a deed poll in the form of Attachment 3 to the Scheme Implementation Deed, or such other form as agreed in writing between ALO and the Bidder under which Bidder (or Bidder Nominee) covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under the Scheme.
Effective	means, when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist.
End Date	means: (a) 31 October 2023; or (b) such other date as agreed in writing by ALO and the Bidder.
Founders	means each of William Creedon and Karen Howard.
Founding Shareholders	means: (a) the Founders; (b) any person directly or indirectly controlled by a Founder; and any other person to the extent they hold Scheme Shares on behalf of, or for the benefit of, a person in paragraph (a) or (b).
General ALO Shareholders	means the ALO Shareholders other than the Founding Shareholders
Government Agency	means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or

Term	Definition
	entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as ALO and the Bidder agree in writing or is ordered by the Court or required by ASX.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	means the official listing rules of ASX.
Operating Rules	means the official operating rules of ASX.
Registered Address	in relation to an ALO Shareholder, means the address of the ALO Shareholder as shown in the ALO Share Register.
Scheme	means this scheme of arrangement under Part 5.1 of the Corporations Act between ALO and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Bidder Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.2 of the Scheme Implementation Deed.
Scheme Consideration	means the consideration to be provided or procured by the Bidder to Scheme Shareholders in consideration for the transfer of the Scheme Shares held by Scheme Shareholders to the Bidder as follows: (a) in the case of General ALO Shareholders, $0.24 per Scheme Share; (b) in the case of each Founding Shareholder, Bidder HoldCo Shares equal to the number of Scheme Shares held by that Founding Shareholder.
Scheme Implementation Deed	means the scheme implementation deed dated 27 March 2023 between ALO and Bidder relating to the implementation of this Scheme, as amended or restated from time to time.
Scheme Meeting	means the meeting of ALO Shareholders to be convened by the Court under Section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the

Term	Definition
	second Business Day after the Effective Date, or such other time and date as ALO and Bidder agree in writing.
Scheme Shareholder	means an ALO Shareholder as at the Scheme Record Date.
Scheme Shares	means all ALO Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Transfer	means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder (or Bidder Nominee) as transferee, which may be a master transfer of all or part of the Scheme Shares.
Scrip Scheme Consideration	means the aggregate Scheme Consideration to be provided to the Founding Shareholders in the form of the issue of Bidder HoldCo Shares under clause 5.4 of this Scheme.
Second Court Date	means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
SHD	means the shareholders' agreement to be entered into in respect of Bidder HoldCo and its shareholders as contemplated by clauses 3.1(q) of the Scheme Implementation Deed and in a form acceptable to the Bidder.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act. A reference to **Subsidiaries** has a corresponding meaning.
Trust Account	means an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) operated by ALO (or the ALO Share Registry) as trustee for the Scheme Shareholders.

1.2 Interpretation

In this Scheme:

(a) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this Scheme;

(b) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this Scheme and references to this Scheme include any schedules or annexures;

(c) a reference to a party to this Scheme or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;

(e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(f) a reference to a document or agreement (including a reference to this Scheme) is to that document or agreement as amended, supplemented, varied or replaced;

(g) a reference to this Scheme includes the agreement recorded by this Scheme;

(h) the singular includes the plural and the plural includes the singular;

(i) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;

(j) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(k) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;

(l) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia;

(m) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(n) if any day on or by which a person must do something under this Scheme is not a Business Day, then the person must do it on or by the next Business Day;

(o) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;

(p) a reference to a person includes a corporation, trust, partnership, unincorporated body, Government Agency, or other entity whether or not it comprises a separate legal entity;

(q) a reference to a body (including an institute, association or authority), other than a party to this Scheme, whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(r) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;

(s) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

(t) a reference to '$' or 'dollar' is to Australian currency;

(u) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or third party, or death;

(v) a reference to the Listing Rules, Settlement Rules, and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and

(w) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', or 'for example' (or similar phrases) do not limit what else might be included.

2. Preliminary Matters

2.1 ALO

(a) ALO is a public company limited by shares, registered in New South Wales, Australia, and is admitted to the official list of the ASX. ALO Shares are quoted for trading on the ASX.

(b) As at the date of the Scheme Implementation Deed, ALO has the following securities on issue:

(i) 200,730,021 ALO Shares; and

(ii) the ALO Options.

2.2 Bidder

Bidder is a proprietary company limited by shares registered in New South Wales, Australia.

2.3 Scheme Implementation Deed

(a) Pursuant to clause 4.3 of the Scheme Implementation Deed, Bidder may nominate a Bidder Nominee to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with this Scheme.

(b) If the Scheme becomes Effective:

(i) Bidder (or Bidder Nominee) must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

(ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder (or Bidder Nominee) and ALO will enter the name of Bidder (or Bidder Nominee) in the ALO Share Register in respect of the Scheme Shares.

(c) ALO and Bidder have agreed, by executing the Scheme Implementation Deed, to implement this Scheme (among other things).

2.4 Deed Poll

This Scheme attributes actions to Bidder and Bidder Nominee (as applicable) and Bidder HoldCo but does not itself impose an obligation on them to perform those actions. Bidder (and Bidder Nominee (as applicable) and Bidder HoldCo have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3. Conditions Precedent

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect, and for completeness, there is no agreement to acquire the Scheme Shares (and will not become Effective) until, the satisfaction of each of the following conditions precedent:

(a) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(i) of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the date that each of those conditions precedent provides that they are to be satisfied;

(b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated;

(c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and agreed to by Bidder and ALO (each acting reasonably);

(d) subject to clause 8.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Bidder and ALO having been satisfied or waived; and

(e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act, on or before the End Date (or any later date ALO and Bidder agree in writing).

3.2 Certificate

(a) ALO and Bidder will provide to the Court on the Second Court Date a certificate (signed for and on behalf of ALO and Bidder respectively), or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 Termination

Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, each of Bidder, Bidder Nominee (if applicable) and Bidder HoldCo are released from:

(a) any further obligation to take steps to implement this Scheme; and

(b) any liability with respect to this Scheme.

3.4 End Date

Without limiting any rights under the Scheme Implementation Deed, unless the Bidder and ALO otherwise agree in writing (and, if required, as approved by the Court) this Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

in which event ALO, Bidder, Bidder Nominee (if applicable) and Bidder HoldCo are each released from any further obligation to take steps to implement this Scheme and any liability with respect to the Scheme.

4. Implementation of the Scheme

4.1 Lodgement of Court order with ASIC

ALO must lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme as soon as possible after the Court approves the Scheme and in any event by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing between ALO and Bidder).

4.2 Transfer and registration of Scheme Shares

On the Implementation Date:

(a) subject to Bidder (or Bidder Nominee) and Bidder HoldCo fulfilling its obligation under clauses 5.2 and 5.4, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder (or Bidder Nominee), without the need for any further act by any Scheme Shareholder (other than acts performed by ALO as attorney and agent for Scheme Shareholders under clause 8.5), by:

(i) ALO delivering to Bidder (or Bidder Nominee) a duly completed Scheme Transfer to transfer all of the Scheme Shares to Bidder (or Bidder Nominee), executed on behalf of the Scheme Shareholders by ALO as attorney and agent, for registration; and

(ii) Bidder (or Bidder Nominee) duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to ALO for registration;

(b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), ALO must enter, or procure the entry of, the name of Bidder (or Bidder Nominee) in the ALO Share Register as the registered holder of all the Scheme Shares transferred to Bidder (or Bidder Nominee) in accordance with this Scheme; and

(c) the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder (or Bidder Nominee) will, at the time of transfer of them to the Bidder (or Bidder Nominee), vest in the Bidder (or Bidder Nominee) free from all Encumbrances, third party interests (whether legal or equitable) or restrictions on transfer.

5. Scheme Consideration

5.1 Consideration under the Scheme

(a) On the Implementation Date, in consideration for the transfer to Bidder (or Bidder Nominee) of the Scheme Shares each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clauses 5.2 and 5.4.

(b) If Bidder (or Bidder Nominee) is required by Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) to pay amounts to the ATO in respect of the acquisition of ALO Shares from certain Scheme Shareholders, Bidder (or Bidder Nominee) is entitled to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders and remit those amounts to the ATO. Bidder (or Bidder Nominee) will not be obliged to increase the aggregate sum paid to Scheme Shareholders by the amount of the deduction and the net aggregate sum payable to those Scheme Shareholders should be taken to be in full and final satisfaction of amounts owing to those Scheme Shareholders. Bidder (or Bidder Nominee) must pay any amount to the ATO in the time permitted by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder. In reliance on the ALO Representation and Warranty given at paragraph (s)(vi) of Schedule 2 to the Scheme Implementation Deed and, provided that no later than 20 Business Days prior to the Implementation Date, ALO provides information to the satisfaction of the Bidder (or Bidder Nominee, acting reasonably) to support the fact that, at the Implementation Date, none of the ALO Shares are indirect Australian real property interests within the meaning of section 855-25 of the *Income Tax Assessment Act 1997* (Cth), the Bidder (or Bidder Nominee) agrees not to withhold on account of any amount payable under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth).

5.2 Provision of Cash Scheme Consideration

The obligation of the Bidder (or Bidder Nominee) to pay Cash Scheme Consideration pursuant to clause 2.3(b)(i) will be satisfied by the Bidder (or Bidder Nominee):

(a) no later than 10:00am on the Implementation Date, depositing in cleared funds into the Trust Account (details of which must be notified by ALO to the Bidder (or Bidder Nominee) at least five days before the Implementation Date), an amount equal to the aggregate Cash Scheme Consideration payable to all Scheme Shareholders (less any amount that Bidder (or Bidder Nominee) is required to pay to the ATO pursuant to clause 5.1(b)), such amount to be held on trust by ALO for the Scheme Shareholders (except that any interest on the amount, less bank fees and other charges, will be for the benefit of the Bidder (or Bidder Nominee)), for the purpose of ALO paying the Scheme Consideration to the Scheme Shareholders; and

(b) on the Implementation Date, subject to funds having been deposited in accordance with clause 5.2, ALO paying or procuring the payment of the Cash Scheme Consideration to each Scheme Shareholder from the Trust Account.

5.3 Despatch of Cash Scheme Consideration

(a) Subject to the Bidder (or Bidder nominee) complying with its obligations under clause 5.1(b), ALO must on the Implementation Date, pay from the Trust Account to each Scheme Shareholder an amount equal to the Cash Scheme Consideration due to that Scheme Shareholder in accordance with this Scheme by:

(i) making, or procuring the making, of a deposit for the relevant amount in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by the Scheme Shareholder to ALO and recorded in the ALO Share Register as the Record Date; or

(ii) despatching or procuring the despatch to the Scheme Shareholder of a cheque in the name of the Scheme Shareholder for the relevant amount, by pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme Shareholders must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date.

(b) To the extent that a cheque properly despatched by or on behalf of ALO pursuant to clause 5.3(a)(ii) is returned to ALO (or its agents) as undelivered or the cheque is not presented by a Scheme Shareholder earlier than 6 months after the Implementation Date (**Unclaimed Consideration**):

(i) ALO may cancel the cheque and credit the amount to a separate bank account of ALO until the Unclaimed Consideration is claimed or otherwise dealt with in accordance with any applicable unclaimed moneys legislation; and

(ii) subject to ALO complying with its obligations under clause 5.3(b)(i), ALO is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

(c) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to ALO (or the ALO Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), ALO must reissue a cheque that was previously cancelled under this clause 5.3.

(d) Any interest or other benefit accruing from the Unclaimed Consideration will be to the benefit of Bidder (or Bidder Nominee).

5.4 Provision of Scrip Scheme Consideration

(a) Bidder HoldCo must, on the Implementation Date (or such later time as the Bidder (or Bidder Nominee) and ALO may agree in writing):

(i) issue the Bidder HoldCo Shares required to be issued under this Scheme to the Founding Shareholders on terms such that each such Bidder Share will rank equally in all respects with each other Bidder Share on issue at the time and will have the rights set out in the Constitution and the SHD;

(ii) ensure that each Bidder Share required to be issued under this Scheme is duly and validly issued in accordance with all applicable laws and the Constitution, and is fully paid and free from any Encumbrance (except for any Encumbrance arising under the Constitution or SHD); and

(iii) procure that the name of each Founding Shareholder entitled to receive Bidder HoldCo Shares under this Scheme is entered in Bidder HoldCo's register of members as the holder of those Bidder HoldCo Shares to which it is entitled as part of its Scheme Consideration (with the same holding name and address and other details as the holding of the relevant ALO Shares). In the case of any such Founding Shareholders who hold Scheme Shares in a joint holding, Bidder HoldCo must register the Bidder HoldCo Shares comprised in the Scheme Consideration in the names of the joint holders.

(b) On or before the date that is 10 Business Days after the Implementation Date, Bidder HoldCo must send or procure the sending of a certificate to each Founding Shareholder, reflecting the issue of their Bidder HoldCo Shares.

5.5 Fractional entitlements

Where the calculation of the Cash Scheme Consideration or the Scrip Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, or fraction of a Bidder HoldCo Share, the fractional entitlement will be rounded down to the nearest whole cent or Bidder HoldCo Share.

5.6 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of ALO's obligations under the other provisions of this clause 5 and provided Bidder (or Bidder Nominee) has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by ALO (or the ALO Share Registry on ALO's behalf) to Bidder (or Bidder Nominee).

5.7 Orders of a court of Government Agency

(a) If written notice is given to ALO (or the ALO Share Registry) or Bidder (or Bidder Nominee), of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

(i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by ALO in accordance with this clause 5, then ALO shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

(ii) prevents ALO from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, ALO shall be entitled to (as applicable) retain an amount, in Australian dollars, in relation to Scheme Consideration, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

(b) To the extent that amounts are so deducted or withheld in accordance with clause 5.7(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6. Dealings in ALO Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in ALO Shares or other alterations to the ALO Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the ALO Share Register as the holder of the relevant ALO Shares before the Scheme Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the ALO Share Register is kept,

and ALO must not accept for registration, nor recognise for any purpose (except a transfer to Bidder (or Bidder Nominee) pursuant to this Scheme and any subsequent transfer by Bidder (or Bidder Nominee) or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

(a) ALO must register, or cause to be registered, registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires ALO to register a transfer that would result in an ALO Shareholder holding a parcel of ALO Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

(b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and ALO shall be entitled to disregard any such disposal, purported disposal, agreement or other dealing.

(c) For the purpose of determining entitlements to the Scheme Consideration, ALO must maintain the ALO Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The ALO Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for ALO Shares (other than statements of holding in favour of Bidder (or Bidder Nominee)) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the ALO Share Register (other than entries on the ALO Share Register in respect of Bidder (or Bidder Nominee)) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the ALO Shares relating to that entry.

(e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, ALO will ensure that details of the names, Registered Addresses and holdings of ALO Shares for each Scheme Shareholder as shown in the ALO Share Register are available to Bidder (or Bidder Nominee) and Bidder HoldCo in the form Bidder (or Bidder Nominee) and Bidder HoldCo reasonably requires.

7. Quotation of ALO Shares

(a) ALO must apply to ASX to suspend trading on the ASX in ALO Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Bidder, ALO must apply:

(i) for termination of the official quotation of ALO Shares on the ASX; and

(ii) to have itself removed from the official list of the ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) ALO may, by its counsel, consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and

(b) each Scheme Shareholder agrees to any such alterations or conditions which ALO has consented to in accordance with clause 8.1(a).

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

(i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;

(ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;

(iii) agrees to, on the direction of Bidder (or Bidder Nominee), destroy any holding statements or share certificates relating to their ALO Shares;

(iv) who holds their ALO Shares in a CHESS Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises ALO to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and

(v) acknowledges and agrees that this Scheme binds ALO and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).

(b) Each Scheme Shareholder is taken to have warranted to ALO, Bidder (and Bidder Nominee, if applicable) on the Implementation Date, and appointed and authorised ALO as its attorney and agent to warrant to Bidder (and Bidder Nominee, if applicable) on the Implementation Date, that:

(i) all its Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to Bidder (or Bidder Nominee) together with any rights and entitlements attaching to those shares;

(ii) it has full power and capacity to sell and to transfer its Scheme Shares together with all rights and entitlements attaching to those shares to Bidder (or Bidder Nominee) under this Scheme; and

(iii) it has no existing right to be issued any ALO Shares or any other ALO securities.

(c) ALO undertakes that it will provide the warranties in clause 8.2(b) to Bidder (and Bidder Nominee, if applicable) as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder (or Bidder Nominee) will, at the time of transfer of them to Bidder (or Bidder Nominee), vest in Bidder (or Bidder Nominee) free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1, Bidder (or Bidder Nominee) will be beneficially

entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by ALO of Bidder (or Bidder Nominee) in the ALO Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.2(b), and until ALO registers Bidder (or Bidder Nominee) as the holder of all Scheme Shares in the ALO Share Register, each Scheme Shareholder:

(a) is deemed to have irrevocably appointed Bidder (or Bidder Nominee) as attorney and agent (and directed Bidder or Bidder Nominee (if applicable) in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder (or Bidder Nominee) as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

(b) must not, and undertakes to Bidder and Bidder Nominee (if applicable) not to, attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder (or Bidder Nominee) reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Bidder (or Bidder Nominee) and any director, officer, secretary or agent nominated by Bidder (or Bidder Nominee) under clause 8.4(a) may act in the best interests of Bidder (or Bidder Nominee) as the intended registered holder of the Scheme Shares.

8.5 Authority given to ALO

Each Scheme Shareholder, without the need for any further act:

(a) on the Effective Date, irrevocably appoints ALO and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Bidder (or Bidder Nominee, applicable) and Bidder HoldCo, and ALO undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder (or Bidder Nominee, if applicable) and Bidder HoldCo on behalf of and as agent and attorney for each Scheme Shareholder; and

(b) on the Implementation Date, irrevocably appoints ALO and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing and delivering the Scheme Transfer,

and ALO accepts each such appointment. ALO as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

This Scheme binds ALO and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of ALO.

9. General

9.1 Stamp duty

Bidder (or if applicable, Bidder Nominee):

(a) must pay all stamp duty and any related fines and penalties payable in respect of the transfer by the Scheme Shareholders of the Scheme Shares to Bidder (or Bidder Nominee) pursuant to this Scheme or the Deed Poll; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to ALO doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, ALO or otherwise.

9.3 Governing law and jurisdiction

(a) New South Wales law governs this Scheme.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the New South Wales courts and courts competent to hear appeals from those courts. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.4 Further action

ALO must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Shareholder) required by law or necessary to give full effect to this Scheme and the transactions contemplated by it.

9.5 No liability when acting in good faith

Each Scheme Shareholder agrees that none of ALO, Bidder or Bidder Nominee nor any director, officer, secretary, employee or financier of any of ALO, Bidder, or Bidder Nominee, shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10. Notice

10.1 Method of giving notice

A notice, consent or communication given or made to ALO under this Scheme is only effective if it is:

(a) in writing in English, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas; or

(iii) sent by email to that person's email address.

10.2 When is notice given

A notice, consent or communication given under clause 10.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand	(a) That day, if delivered by 5.00pm on a Business Day; or (b) The next Business Day, in any other case.
Sent by email	At the time of departure from the sender's mail server unless the sender receives an automated message generated by the recipient's mail server (**Failure Message**) that the email has not been delivered within two hours. For the avoidance of doubt any response generated by or at the instigation of the recipient (including an 'out of office' message) will not be a Failure Message.
Sent by post	(a) Three Business Days after posting, if sent within Australia; or (b) Seven Business Days after posting, if sent to or from a place outside Australia.

10.3 Address for notices

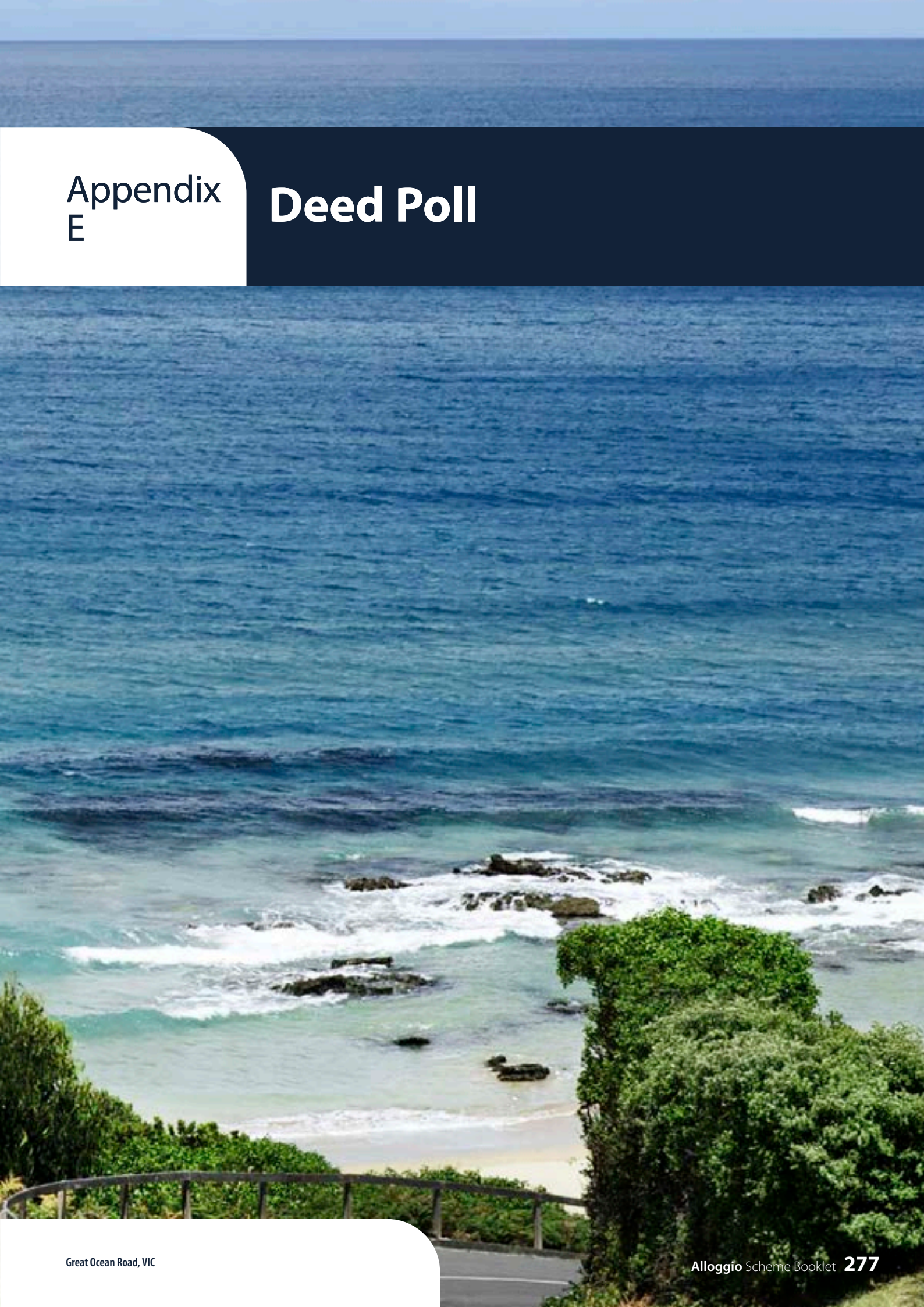
ALO's address is that set out in this Scheme, or as ALO otherwise notifies the sender.

10.4 Accidental omission or non receipt

Unless the Court makes an order to the contrary, the accidental omission to give notice of the Scheme Meeting or the non receipt of such notice by an ALO Shareholder will not invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

Appendix E

Deed Poll



Great Ocean Road, VIC

Deed poll

Scheme

Next Capital Pty Limited
ALO Bidco Pty Ltd
ALO Holdco Pty Ltd

TALBOTSAYER

Talbot Sayer Lawyers ABN 93 168 129 075
Level 27, Riverside Centre
123 Eagle Street, Brisbane QLD 4000 Australia
GPO Box 799, Brisbane QLD 4001 Australia

Ph: +61 7 3160 2900
www.talbotsayer.com.au

This deed poll is made on

Made by

Name	Next Capital Pty Limited	
ACN	111 963 583	
Short form name	**Bidder**	
Notice details	Attention	Patrick Elliott
	Address	Level 12/143, Macquarie St, Sydney, NSW 2000
	Email	patrick.elliott@nextcapital.com.au

Name	ALO Bidco Pty Ltd	
ACN	668 552 430	
Short form name	**Bidder Nominee**	
Notice details	Attention	Patrick Elliott
	Address	Level 12/143, Macquarie St, Sydney, NSW 2000
	Email	patrick.elliott@nextcapital.com.au

Name	ALO Holdco Pty Ltd	
ACN	668 550 418	
Short form name	**Bidder HoldCo**	
Notice details	Attention	Patrick Elliott
	Address	Level 12/143, Macquarie St, Sydney, NSW 2000
	Email	patrick.elliott@nextcapital.com.au

In favour of

Each person who is registered as a holder of fully paid ordinary shares in the capital Alloggio Group Limited ACN 645 582 225 (**ALO**) in the ALO Share Register as at the Scheme Record Date (**Scheme Shareholders**).

Background

A ALO and Bidder have entered into the Scheme Implementation Deed.

B In the Scheme Implementation Deed, Bidder agreed to make this deed poll and to procure that Bidder Nominee and Bidder HoldCo make this deed poll.

C Bidder, Bidder Nominee and Bidder HoldCo are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to each of them under the Scheme Implementation Deed and the Scheme.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

Terms defined in the Scheme have the same meaning in this deed poll, unless the context requires otherwise. For the avoidance of doubt, the following definitions apply in this deed poll:

Term	Definition
First Court Date	means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Scheme	means the members' scheme of arrangement under Part 5.1 of the Corporations Act between ALO and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Bidder Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is attached as Attachment 2 to the Scheme Implementation Deed (or such other form as agreed in writing by Bidder and ALO), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.4(a) of the Scheme Implementation Deed.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this deed poll as if set out in full in this deed poll, and on the basis that references to 'this Scheme' in that clause are references to 'this deed poll'.

1.3 Nature of deed poll

Bidder, Bidder Nominee and Bidder HoldCo acknowledge that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints ALO and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder, Bidder Nominee and Bidder HoldCo.

2. Conditions Precedent

2.1 Conditions precedent

This deed poll and the obligations of Bidder, Bidder Nominee and Bidder HoldCo under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder, Bidder Nominee and Bidder HoldCo under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date,

unless Bidder and ALO otherwise agree in writing (and, if required, as approved by the Court).

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then in addition and without prejudice to any other rights, powers or remedies available to it:

(a) Bidder, Bidder Nominee and Bidder HoldCo are released from their obligations under this deed poll; and

(b) each Scheme Shareholder retains the rights that they have against Bidder, Bidder Nominee and Bidder HoldCo in respect of any breach of its obligations under this deed poll that occurred before termination of this deed poll.

3. Scheme obligations

3.1 Compliance with obligations generally

Subject to clause 2, each of the Bidder Nominee and Bidder HoldCo undertakes, and Bidder undertakes to procure Bidder Nominee and Bidder HoldCo, to comply with its obligations under the Scheme Implementation Deed, observe and perform the steps attributed to it under, and otherwise to comply with, the Scheme as if named as a party to the Scheme, and do all other acts and things necessary or desirable on their respective parts to give full effect to the Scheme.

3.2 Provision of Cash Scheme Consideration

Subject to clause 2, the Bidder or Bidder Nominee undertakes to deposit an amount equal to the aggregate Cash Scheme Consideration (less any amount that Bidder (or Bidder Nominee) is required to pay to the ATO pursuant to clause 5.1(b) of the Scheme) payable to all Scheme Shareholders in cleared funds into the Trust Account in accordance with clause 5.2 of the Scheme, before 10:00am on the Implementation Date.

3.3 Provision of Scrip Scheme Consideration

(a) Subject to clause 2, Bidder HoldCo undertakes to issue the Bidder HoldCo Shares required to be issued under the Scheme to the Founding Shareholders in accordance with clause 5.4 of the Scheme, on the Implementation Date.

(b) Without limiting any provision of the Scheme, the Bidder HoldCo Shares must:

(i) rank equally in all respects with each other Bidder HoldCo Share on issue at the time;

(ii) have the rights set out in the Constitution and the SHD; and

(iii) be fully paid and free from any Encumbrance (except for any Encumbrance arising under the Constitution or SHD).

4. Representations and warranties

Bidder, Bidder Nominee and Bidder HoldCo represent and warrant in favour of each Scheme Shareholder, in respect of itself, that:

(a) it is a validly existing corporation registered under the laws of its place of incorporation;

(b) it has full capacity, corporate power and lawful authority to execute, deliver and enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and

(e) this deed poll does not conflict with or result in a breach of or default under:

(i) any writ, order or injunction, judgment, law, rule, obligation or regulation to which it is a party or by which it is bound.; or

(ii) its constitution or equivalent constituent documents.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

(a) the time at which Bidder or Bidder Nominee and Bidder HoldCo fully perform the obligations under this deed poll; and

(b) the termination of this deed poll under clause 2.

6. General

6.1 Remedies cumulative

The rights, powers and remedies of Bidder, Bidder Nominee and Scheme Shareholders under this deed poll are cumulative and do not exclude any other right, power or remedy provided by law independently of this deed poll.

6.2 No waiver

(a) Bidder, Bidder Nominee and Bidder HoldCo may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

(b) No Scheme Shareholder may rely on words or conduct of Bidder, Bidder Nominee or Bidder HoldCo as a waiver of any right unless the waiver is in writing and signed by Bidder, Bidder Nominee and Bidder HoldCo. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

6.3 Amendments

A provision of this document may not be varied by Bidder, Bidder Nominee or Bidder HoldCo unless:

(a) before the First Court Date, the amendment or variation is agreed to in writing by ALO; or

(b) if on or after the First Court Date, the amendment or variation is agreed to in writing by ALO, and the Court indicates that the amendment or variation would not of itself preclude the approval of the Scheme;

and in either case, Bidder, Bidder Nominee and Bidder HoldCo must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.4 Assignment

(a) The rights created under this deed poll are personal to Bidder, Bidder Nominee, Bidder HoldCo and each Scheme Shareholder and cannot be assigned, novated, transferred or otherwise dealt with without the prior written consent of Bidder, Bidder Nominee and Bidder HoldCo.

(b) Any purported assignment, novation, transfer or other dealing in contravention of clause 6.4(a) is invalid.

(c) Notwithstanding any other provision of this deed, Bidder, Bidder Nominee and Bidder HoldCo's rights under this deed poll may be encumbered by way of security (whether by charge, mortgage or any other security interest) for the benefit of each financial institution or group of financial institutions, bank or other provider of finance, including any agent or trustee acting on behalf of the foregoing, in connection with providing debt financing for the Scheme. For the avoidance of doubt, the rights of the Bidder, Bidder Nominee and Bidder HoldCo under this clause do not in any way limit their obligations under this deed.

6.5 Severability

(a) A clause or part of a clause of this deed poll that is illegal or unenforceable may be severed from this deed poll and the remaining clauses or parts of the clause of this deed poll continue in force.

(b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this deed poll in the relevant jurisdiction, but the rest of this deed poll will not be affected.

6.6 Stamp duty

Bidder (or if applicable, Bidder Nominee):

(a) must pay all stamp duty and any related fines and penalties payable in respect of the Scheme and this deed poll and the transfer by the Scheme Shareholders of the Scheme Shares to Bidder or Bidder Nominee pursuant to the Scheme; and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 6.6(a).

6.7 Joint and several obligations

Bidder, Bidder Nominee and Bidder HoldCo are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

6.8 Governing law and jurisdiction

(a) This deed poll is governed by the law in force in New South Wales, Australia.

(b) Bidder, Bidder Nominee and Bidder HoldCo irrevocably submit to the non-exclusive jurisdiction of the New South Wales courts and courts competent to hear appeals from those courts.

(c) Bidder, Bidder Nominee and Bidder HoldCo irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.9 Further action

Bidder, Bidder Nominee and Bidder HoldCo must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

6.10 Counterparts and execution

(a) This document may be executed in counterparts which together constitute one instrument but is not effective until each party has executed at least one counterpart and the counterparts have been exchanged.

(b) Each person, who executes this document on behalf of a party under a power of attorney or other authority, declares and warrants that he or she is not aware of any fact or circumstances that might affect his or her authority to do so under that authority.

7. Notice

7.1 Method of giving notice

A notice, consent or communication given or made to Bidder, Bidder Nominee or Bidder HoldCo under this deed poll is only effective if it is:

(a) in writing in English, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail; or

(iii) sent to the person's email address.

7.2 When is notice given

A notice, consent or communication given under clause 7.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand	(a) That day, if delivered by 5.00pm on a Business Day; or (b) The next Business Day, in any other case.
Sent by post	(a) Three Business Days after posting, if sent within Australia; or (b) Seven Business Days after posting, if sent to or from a place outside Australia.
Sent by email	The earlier of: (a) when the sender receives a read receipt from the recipient's email address; and (b) the time it is otherwise established that the email (including any attachment) came to the attention of the recipient.

If due to this clause 7.2 a communication would be taken to be received on a day that is not, or after 5pm on, a business day in the place of receipt, the communication is taken to have been received at 9am on the first business day in the place of receipt after that day. The place of receipt of an email is the address of the recipient contemplated by clause 7.1(c).

7.3 Address for notices

The addresses for Bidder, Bidder Nominee and Bidder HoldCo are that which is set out in this deed poll, or as Bidder, Bidder Nominee or Bidder HoldCo otherwise notifies the sender.

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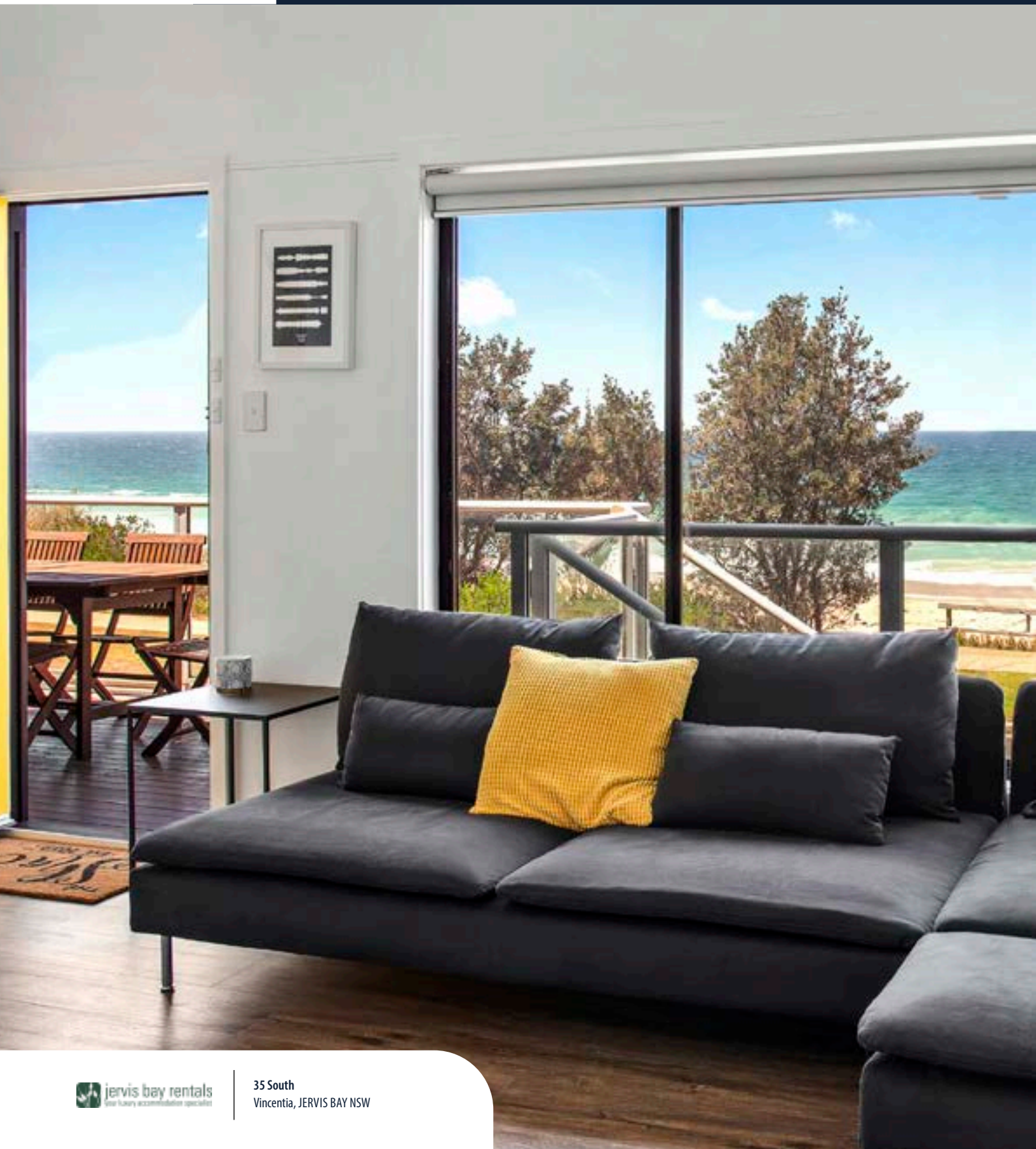
Appendix F

Proxy Forms



alloggio:

Alloggio Group Limited| ABN 64 645 582 225

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.30am (AEST) on Sunday, 13 August 2023,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at
https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

SAMPLE

STEP 1 – How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Scheme Meeting of Alloggio Group Limited, to be held virtually at **9.30am (AEST) on Tuesday, 15 August 2023** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VIRTUAL PARTICIPATION AT THE SCHEME MEETING:
The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Approval of Scheme resolution	☐	☐	☐

STEP 3 – Signatures and contact details

Individual or Securityholder 1 | Securityholder 2 | Securityholder 3

Sole Director and Sole Company Secretary | Director | Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

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alloggio:

Alloggio Group Limited| ABN 64 645 582 225

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.30am (AEST) on Sunday, 13 August 2023,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise, if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at
https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

SAMPLE

STEP 1 – How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Founding Shareholders Scheme Meeting of Alloggio Group Limited, to be held virtually at **10.30am (AEST) on Tuesday, 15 August 2023** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VIRTUAL PARTICIPATION AT THE FOUNDING SHAREHOLDERS SCHEME MEETING:
The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Approval of Scheme resolution	☐	☐	☐

STEP 3 – Signatures and contact details

Individual or Securityholder 1 | Securityholder 2 | Securityholder 3

Sole Director and Sole Company Secretary | Director | Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

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Corporate Directory

Issuer's Registered Office

Alloggio Group Limited
840 Hunter Street
Newcastle NSW 2300

Financial Advisor

Actuity Capital Partners Pty Limited
Level 19, Aurora Place
88 Phillip Street
Sydney NSW 2000

Legal Advisor

Travis Partners Law
Suite 9C, Level 3
The Boardwalk
1 Honeysuckle Drive
Newcastle NSW 2300

Independent Expert

BDO Corporate Finance (East Coast) Pty Limited
Level 11
1 Margaret Street
Sydney NSW 2000

Tax Advisor

Maxim Accounting and Business Advisors Pty Limited
Suite 401, Level 4
45 Watt Street
Newcastle NSW 2300

Share Registry

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

alloggio