

**Notice of Extraordinary General Meeting**  
17 November 2023

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of BIR Financial Limited (the “Company”) will be held on Friday 17 November 2023 at 11:00am (Brisbane time) at Level 19, 10 Eagle Street, Brisbane Queensland.

The Company will not be mailing physical copies of this Notice of Meeting to Shareholders, and instead this Notice of Meeting will be sent electronically to Shareholders where the Company has a record of their email address or otherwise be made available to Shareholders where the Company does not have a record of their email address through a URL set out in a letter sent to them by mail. Please see page 5 for further details regarding the despatch of this Notice of Meeting to Shareholders.

The business to be considered at the meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum, which contains information in relation to each of the following items of business. A Proxy Form also accompanies this Notice of Meeting.

**SPECIAL BUSINESS**

**Resolution 1. Amendment of Constitution – “A” Class Redeemable Preference Shares**

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

“That the constitution of the Company be amended by the insertion of the following rule 2B immediately after the end of rule 2A and immediately prior to rule 3:

**2B ‘A’ CLASS REDEEMABLE PREFERENCE SHARES**

Each ‘A’ Class Redeemable Preference Share shall carry the following rights and obligations:

- (a) No right to vote except in each of the following circumstances:
  - (i) During a period during which a dividend (or part of a dividend) in respect of the ‘A’ Class Preference Shares is in arrears;
  - (ii) On a proposal to reduce the Company’s share capital;
  - (iii) On a resolution to approve the terms of a buy-back agreement;
  - (iv) On a proposal that affects rights attached to the ‘A’ Class Redeemable Preference Shares;
  - (v) On a proposal to wind up the Company;
  - (vi) On a proposal for the disposal of the whole of the Company’s property, business and undertaking; and
  - (vii) During the winding up of the Company;
- (b) Shall be entitled to be paid a cumulative dividend, equal to 10% per annum paid at the Redemption Date or at any earlier time the board determines of the amount paid up on the ‘A’ Class Redeemable Preference Share in priority to all other classes of shares on issue;
- (c) Subject to Section 254 of the Corporations Act:
  - (i) May be redeemed by the Company at any time determined by the Directors at any time up to and including the 5<sup>th</sup> anniversary of the issue of the ‘A’ Class Preference Shares (“Redemption Date “)

- (ii) Upon redemption the holder will be entitled to be paid the amount paid up on the 'A' Class Redeemable Preference Share so redeemed together with any accrued and unpaid dividends on that 'A' Class Redeemable Preference Share; and
- (iii) Redemption of an 'A' Class Redeemable Preference Share by the Company will occur by the Company giving a written notice to the holder that the redemption has occurred and providing payment in the form of a cheque or direct bank deposit into the Shareholders nominated account;
- (d) On a winding up each 'A' Class Redeemable Preference Share shall rank in priority to all other classes of shares on issue in respect of accrued and unpaid dividends and a return of capital with no further right to participate in a distribution of surplus assets; and
- (e) The right to receive notices of general meeting, reports and audited accounts and to attend general meetings.

The Directors recommend that shareholders vote in favour of this resolution.

### **Resolution 2. Amendment of Constitution – Use of Technology at General Meetings**

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

“That the constitution of the Company be amended by deleting rule 9.3 and replacing it with the following:

#### **9.3 Use of technology at general meetings**

The Company may hold a general meeting (including an annual general meeting):

- (a) At one or more physical venues;
- (b) At one or more physical venues and using virtual meeting technology; or
- (c) Using virtual meeting technology only;

provided that all members have a reasonable opportunity to participate”.

### **Resolution 3. Change of Name**

To consider and if thought fit pass as a Special Resolution:

“Subject to the passing of Resolution 4, the name of the Company be changed to Investor Centre Limited”.

### **Resolution 4. Approval of acquisition of Investor Centre Pty Ltd (IC) from a Related Party**

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

“Subject to Resolution 1 being passed that for the purposes of ASX Listing Rules 10.1 and 10.11 and Chapter 2E of the Corporations Act and for all other purposes, approval is given to the Company to:

- (a) Acquire 100% of the issued capital of IC from the IC Vendor; and

- (b) Issue 11,720,000 fully paid ordinary shares to the IC Vendor (or his nominee) as part consideration for the acquisition.

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

**Independent Expert's Report:** Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the IC Acquisition the subject of this Resolution to the non-associated Shareholders of the Company.

**THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE IC ACQUISITION THE SUBJECT OF THIS RESOLUTION IS NOT FAIR BUT REASONABLE TO NON-ASSOCIATED SHAREHOLDERS.**

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of IC, the IC Vendor (or his nominee), or any other person, who will obtain a material benefit as a result of the IC Acquisition or the issue of shares (except a benefit solely by reason of being a holder of ordinary shares in the Company).

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

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

**Resolution 5. Issue of Options to employees, consultants and advisers.**

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes approval be given for the issue of up to 9,000,000 10 Cent Options to various employees, consultants and advisers with 1/3 of the 10 Cent Options issued vesting and becoming exercisable at \$0.10 on each of the first, second and third anniversaries of them being issued and them lapsing on the fifth anniversary of their issue if not exercised."

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

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

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

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

#### **Resolution 6. Issue of Options to Jody Elliss**

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval be given for the issue of 2,000,000 10 Cent Options to Mr Jody Elliss a Director of the Company with 1/3 of the 10 Cent Options issued vesting and becoming exercisable at \$0.10 on each of the first, second and third anniversaries of them being issued and them lapsing on the fifth anniversary of their issue if not exercised.”

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

- (a) Mr Jody Elliss or any person or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

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

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

#### **Resolution 7. Issue of Options to Nicholas Pearce**

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval be given for the issue of 2,000,000 10 Cent Options to Mr Nicholas Pearce a Director of the Company with 1/3 of the 10 Cent Options issued vesting and becoming exercisable at \$0.10 on each of the first, second and third anniversaries of them being issued and them lapsing on the fifth anniversary of their issue if not exercised.”

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

- (a) Mr Nicholas Pearce or any person or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

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

#### **Resolution 8. Issue of Options to Robert J Fogarty**

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval be given for the issue of 2,000,000 10 Cent Options to Mr Robert J Fogarty a Director of the Company with 1/3 of the 10 Cent Options issued vesting and becoming exercisable at \$0.10 on each of the first, second and third anniversaries of them being issued and them lapsing on the fifth anniversary of their issue if not exercised.”

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

- (a) Mr Robert J Fogarty or any person or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

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

#### **DISPATCH OF NOTICE OF MEETING**

This Notice of Meeting will be dispatched to Shareholders in the following manner:

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

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

## VOTING ENTITLEMENT

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that, for the purposes of the Extraordinary General Meeting, shares will be taken to be held by the persons who are registered holders at 11.00 am (Brisbane time) on the 15th of October 2023. Only those persons will be entitled to vote at the Extraordinary General Meeting on 17 November 2023.

## ADMISSION TO MEETING

Corporate representatives are required to bring appropriate evidence of appointment as a representative in accordance with the constitution of the represented company. Attorneys are requested to bring the original or certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

## PROXIES

- Votes at the Extraordinary General Meeting may be given personally, by proxy, attorney or representative;
- Each Shareholder has a right to appoint one or two proxies;
- A proxy need not be a Shareholder of the Company;
- Documents executed by Shareholders that are companies must be done in accordance with the represented company's constitution and the Corporations Act.;
- Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes;
- If a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands; and
- A proxy must be signed by the Shareholder or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by companies must be signed in accordance with the represented Company's constitution and the Corporations Act.

To be effective, proxy forms must be received by the Company's share registry (Automic Pty Ltd) no later than 48 hours before the commencement of the Extraordinary General Meeting, that is no later than 11 am (Brisbane time) on 15 November 2023. Any proxy form received after that time will not be valid for the scheduled meeting. The proxy form does not need to be returned to the share registry if the votes have been lodged online at <http://www.automic.com.au>.

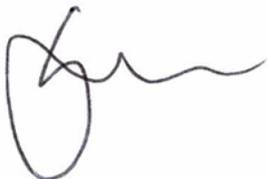
### Hand Delivery

Automic Pty Ltd  
Level 5  
126 Phillip Street,  
Sydney NSW 2000

### By Mail

Automic Pty Ltd  
GPO Box 5193  
Sydney NSW 2001

## BY ORDER OF THE BOARD



**Gregory Starr**

**Company Secretary**

18 October 2023

# Explanatory Statement

This Explanatory Statement sets out information in connection with the business to be considered at the Extraordinary General Meeting to be held on 17 November 2023.

## SPECIAL BUSINESS

### 1. Resolution 1. Amendment of Constitution to issue “A” Class Redeemable Preference Shares

Resolution 1 relates to an amendment of the constitution of the Company to allow for the issue of Á' Class Redeemable Preference Shares.

Full terms of the Á' Class Redeemable Preference Shares are set out in Resolution 1.

The resolution is a special resolution and as such needs to be approved by 75% of the shareholders entitled to vote and who attend the general meeting in person, by attorney, by proxy or as a corporate representative.

Section 254A of the Corporation Act requires that the rights attaching to preference shares must be set out in the constitution or be approved by special resolution of the Company. By passing Resolution 1 the rights attaching to the preference shares will be set out in the constitution.

It should be noted that the Á' Class Redeemable Preference Shares will be entitled to a cumulative dividend of 10% per annum of the amount paid up on each share. This dividend will be paid at the Redemption Date (being any time determined by the directors at any time up to and including the 5<sup>th</sup> anniversary of the issue of the relevant 'A' Class Redeemable Preference Shares) in priority to any dividends payable on the ordinary shares, and any other class of shares that may be issued at a later date.

The 'Á' Class Redeemable Preference Shares are also entitled on redemption to a return of capital and any unpaid and accrued dividends in priority to ordinary shares, and any other class of shares that may be issued at a later date, on a winding up.

As a general rule persons holding 'Á' Class Redeemable Preference Shares cannot vote them other than in the circumstances set out in their terms as required by ASX Listing Rule 6.3. However, they are entitled to copies of all notices of meeting, reports and audited accounts and to attend general meetings.

#### Recommendation

The Board unanimously recommends that shareholders vote **in favour** of Resolution 1

### 2. Resolution 2. Amendment of Constitution to allow the Company to hold shareholder meetings using virtual technology

In response to the COVID-19 pandemic and the resulting inability of shareholders to meet in person, the Corporations Act was temporarily amended (each time by a determination made by the Commonwealth Treasurer) to permit companies to hold meetings virtually. Virtual meetings of shareholders were not explicitly permitted under the Corporations Act prior to these temporary amendments taking effect.

To provide certainty and continuity in the acceptance of virtual shareholder meetings while the COVID-19 pandemic continued, ASIC had adopted a temporary “no action” position which supported the convening and holding of virtual meetings using appropriate technology.

Following the expiry of these temporary measures on 31 May 2022 for listed entities, under the Corporations Act a company will only be entitled to hold virtual meetings if its constitution permits it.

The Board considers it appropriate to amend the Company's Constitution to ensure it has the flexibility to hold virtual shareholder meetings in the future.

It is proposed that the Company's Constitution be amended by:

(a) deleting the existing rule 9.3, which currently provides:

“ 9.3 Use of technology at general meetings

The Company may hold a meeting of its members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.”

and

(b) replacing it with the following rule 9.3:

“ 9.3 Use of technology at general meetings

The Company may hold a general meeting (including an annual general meeting):

- (a) At one or more physical venues;
- (b) At one or more physical venues and using virtual meeting technology; or
- (c) Using virtual meeting technology only

provided that all members have a reasonable opportunity to participate.”

The resolution is a special resolution and as such needs to be approved by 75% of the shareholders entitled to vote and who attend the general meeting in person, by attorney, by proxy or as a corporate representative.

#### **Recommendation**

The Board unanimously recommends that shareholders vote **in favour** of Resolution 2.

#### **3. Resolution 3. Approval of change of company name to Investor Centre Limited**

Shareholder approval is sought to change the Company’s name to “Investor Centre Limited”.

In accordance with section 157 of the Corporations Act, a special resolution of shareholders must be passed to adopt a new company name.

The resolution is subject to Shareholders approving the acquisition of Investor Centre Pty Ltd pursuant to resolution 4.

The new name, Investor Centre Limited, will better reflect the activities of the Group as a diversified financial services company, across financial disciplines and geographies.

The new name will be accompanied by a refreshed brand and visual identity which will create a contemporary and consistent look and feel, with the flexibility to meet the future growth of the Company.

Following approval of the change in name the Company will trade on the Australian Securities Exchange as Investor Centre Limited under the ASX Code ICU.

#### **Recommendation**

The Board unanimously recommends that shareholders vote **in favour** of Resolution 3.

#### 4. Resolution 4. Background to The Investor Centre Acquisition and The Required Shareholder Approval

##### 4.1 General

On 7 March 2023, the Company announced to the ASX that it had entered an agreement to acquire 100% of the issued capital in IC (the **IC Acquisition**).

IC is controlled by Mr Jody Ellis, a director of the Company, and is therefore a related party of the Company in accordance with ASX Listing Rules 10.1.1 and 10.11.1 as well as Section 228 of the Corporations Act.

As noted below one of the conditions for completing the IC Acquisition is the Company raising a minimum of \$3,500,000. The Company proposes to raise a minimum of \$3,500,000 and up to \$9,000,000 by issuing 140,000 and up to 240,000 'A' Class Redeemable Preference Shares at \$25 per "A" Class Redeemable Preference Share to applicants under a prospectus to be issued by the Company within two weeks of the date of this Notice.

The purpose of the capital raising is to fund the cash components of the IC Acquisition, to provide working capital to fund the ongoing plans in respect of the business after the IC Acquisition is complete and to have funds for other potential acquisitions. Further details of the use of funds are set out in the table below:

	<b>MINIMUM SUBSCRIPTION A\$</b>	<b>%</b>	<b>MAXIMUM SUBSCRIPTION A\$</b>	<b>%</b>
	<b>3,500,000</b>	100%	<b>9,000,000</b>	100%
IC Acquisition	500,000	14%	500,000	6%
Costs of the Offer	50,000	1%	50,000	1%
Repay Borrowings	661,143	19%	661,143	7%
Working capital	2,288,857	66%	7,788,857	86%

The "A" Class Redeemable Preference Shares will be issued within 3 months of the date of the meeting and only if Resolution 1 is passed.

Subject to the requirements of the ASX Listing Rules, the Company anticipates completion of the IC Acquisition will be in accordance with the following timetable:

<b>Event</b>	<b>Date</b>
ASX announcement of IC Acquisition	7 March 2023
Notice of Meeting despatched to Shareholders	13 October 2023
Prospectus Date	30 October 2023
Offer Opens	31 October 2023
General Meeting to approve Acquisitions and issue of IC Shares to Related Parties	15 November 2023
Offer closes (post EGM)	16 November 2023

Event	Date
Issue and Allotment of "A" Class Redeemable Preference Shares under the Offer and Completion of the IC Acquisition	17 November 2023

The Company is seeking shareholder approval in Resolution 4 for:

- the IC Acquisition pursuant to ASX Listing Rule 10.1 and Chapter 2E of the Corporations Act; and
- the issue of 11,720,000 shares to Jody Elliss as the IC Vendor (or his nominee) as part of the consideration payable for the IC Acquisition pursuant to ASX Listing Rule 10.11.

#### 4.2 Background to IC Acquisition

4.2.1 On 7 March 2023, the Company announced that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital in IC. IC is an entity controlled by Mr Jody Elliss, a director of the Company. The Company has agreed to acquire the shares in IC on the following summary terms (subject to negotiation of definitive transaction documents):

- (a) **(Conditions Precedent)**: completion shall be conditional on:
  - (i) Finalisation of due diligence inquiries by the Company;
  - (ii) The Company raising at least \$3.5 million through the issue of the "A" Class Redeemable Preference shares which are the subject of Resolution 1 above; and
  - (iii) The Company obtaining all necessary shareholder and regulatory approvals.
- (b) **(Consideration)**: the consideration shall be the issue of 11,720,000 fully paid ordinary shares in the capital of the Company plus \$500,000 in cash;
- (c) **(Warranties)**: the agreement will contain standard warranties and representations on behalf of the parties typical for an agreement of this nature;
- (d) **(Other)**: the agreement is otherwise on terms and conditions considered standard for agreements of this nature.

#### 4.2.2 Nature of IC Business

IC is a company which has intellectual property which is expected to increase the revenue and profitability of Pulse Markets.

IC has the following intellectual property assets:

- Domain name: [www.Investorcentre.com.au](http://www.Investorcentre.com.au):
- Domain Name: [www.daytraders.com.au](http://www.daytraders.com.au):
- Database of over 50,000 ASX and investment related leads
- Database name and web traffic flow:
- Existing client base: Current client base of 890 clients.
- Prospect database.

#### 4.2.3 Pro forma balance sheet

An unaudited pro-forma balance sheet following completion of the IC Acquisition is set out in Schedule 1. The proforma balance sheet includes the raising of between \$3,500,000 and \$9,000,000 as noted above.

#### **4.2.4 Risk factors**

Following completion of the IC Acquisition, there will be no material change in the nature of the Company's business activities as the Company will continue to conduct a diversified financial services business which provides a range of financial services to wholesale, institutional, corporate and private clients. Accordingly, the risk profile will be analogous to that of the Company's existing business which has previously been disclosed to Shareholders.

#### **4.2.5 Reasons to vote in favour of the IC Acquisition**

The Directors are of the view that the following non-exhaustive list of reasons may be relevant to a Shareholder's decision vote in favour of Resolution 4:

(a) Diversification of Services

The IC Acquisition will result in an expansion of the product and service offering of the Company. BIR will gain ownership of the IC technologies including proprietary analytical tools with an established customer base as well as IC's investor education program with associated materials which generate existing revenues. BIR will therefore own a new business with additional sources of income. In addition, as the IC business is in a transition phase where it will derive ongoing income from its marketing activities for referral of clients and continuing customer management, BIR will benefit on the future revenues and earnings expected to be generated under the new business model. The Company will also have immediate access to the offerings and technical expertise of IC, so it will not have to invest resources and development time to achieve the same outcome.

(b) Expanded Customer Reach.

The Company expects that access to IC's database of 40,000 clients "will significantly enhance the reach" of the Company's existing Pulse Markets' business. The IC Acquisition will enable the Company to immediately expand the number of potential clients for future equity capital markets or capital raising activity led by Pulse Markets, to include the current client database of IC, subject to legal and regulatory requirements. The expanded reach could potentially increase future income for the Company.

(c) Increase in Size and Scale

Post the IC Acquisition, the Company will have access to an enlarged portfolio of financial product and service offerings, with a larger combined customer base which will provide opportunities to cross-sell such offerings to a broader target market.

(d) Potential Synergies

The Company has identified a number of potential synergies following the IC Acquisition including e information technology (IT) architecture and associated cost, regulatory compliance costs, marketing and promotions, accounting services and business administration. As the Company and IC both operate in the financial services sector and are impacted by the same broad trends the Company expects synergistic benefits will have a material impact on future performance of the combined business post the IC Acquisition. The potential synergies are expected to improve the pathway of the combined business towards longer term profits than would otherwise be possible.

(e) Existing BIR Shareholders retain control

The Company's Shareholders (other than the IC Vendor) will collectively hold 82.9% of the issued capital of BIR after the IC Acquisition and will thereby retain a controlling interest in the Company. Accordingly, the Company's Shareholders (other than the IC Vendor) will receive the advantages listed herein as part of the IC Acquisition, without forfeiting control of BIR.

(f) Expected Savings

Pulse Markets and Investor Centre have commonality of operation and Investor Centre IT will be able to take over such monthly costs of Pulse IT management and Hyperlink which represent a saving of approximately \$3000+ per month for Pulse markets while costs will remain basically flat for Investor Centre.

(g) Mutual CEO

The CEO of Investor Centre has already been appointed as CEO to Pulse Markets in anticipation of the Purchase by BIR that represents a saving of nearly \$20,000 a month (\$240K annually) in wages.

(h) Resumption of Core Business

Investor Centre will be able to raise funds under the Pulse AFSL and will look to return to providing capital raising services to institutions and wholesale investors.

#### **4.2.6 Reasons to vote against the IC Acquisition**

The Directors are of the view that the following non-exhaustive list of reasons may be relevant to a Shareholder's decision not to vote in favour on Resolution 4:

(a) Dilution of Existing Interests

The interests of Shareholders (other than the IC Vendor) will be diluted to 82.9% of the issued shares of the Company after the issue of shares to the IC Vendor, compared to the current 86.1%. Shareholders will however own an enlarged business with a broader product and service offering and potential synergistic benefits as discussed above.

(b) May Deter alternative offers or proposals

Approval of the IC Acquisition may prevent alternative offers or proposals from being lodged by other parties. There is always the possibility that an offer or alternate proposal could be submitted for the Company's Shares, creating a larger return for the Shareholders than would be achieved through the IC Acquisition. However, there have not been to date any other persons currently seeking to make a counter-offer or proposal and discussions to date between the Company and IC have been collaborative.

(c) Possible Loss of Personnel

Pulse Markets and BIR will carry a greater risk of loss of key personnel due to key person extended roles across the organisation.

#### **4.2.7 Intentions if the IC Acquisition is not approved**

If Resolution 4 is not passed and Resolution 1 is passed the Company intends to proceed to raise between \$3,500,000 and \$9,000,000 through the issue of the "A" Class Redeemable Preference Shares and seek other investment opportunities to further expand the business operations.

#### **4.2.8 Independent Expert's Report**

ASX Listing Rule 10.5.10 requires a notice of meeting containing resolutions under ASX Listing Rule 10.1 to include a report on the transactions from an independent expert.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the IC Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 4. The Independent Expert has concluded that the proposed IC Acquisition is **NOT FAIR BUT REASONABLE** to the non-associated Shareholders.

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

#### **4.2.9 ASX Listing Rule 10.1**

BIR is proposing to acquire 100% of IC (the IC Acquisition.)

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

10.1.1 a related party of the entity.

10.1.2 a child entity of the entity.

10.1.3 a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity,

10.1.4 an associate of a person referred to in 10.1.1 to 10.1.3.

10.1.5 a person whose relationship to the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

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

#### ***Substantial Asset***

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

The consideration for the IC Acquisition is the issue of 11,720,000 shares and the payment of \$500,000 to Mr Jody Elliss as the IC Vendor or his nominee.

The equity interests/net liabilities of the Company as defined by the ASX Listing Rules and as set out in the latest accounts given to the ASX under the ASX Listing Rules (being for the financial year ending 30 June 2023) were (\$1,798,805). Accordingly, the consideration for the IC Acquisition is more than 5% of the equity interests.

#### ***Related Party***

Mr Jody Elliss is the controller of IC and as a director of the Company is a related party within the meaning of ASX Listing Rule 10.1.

### ***Requirement for Shareholder approval***

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

As stated above, ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

Shareholders are urged to carefully read the Independent Expert's Report annexed to this Notice.

Resolution 4 seeks Shareholder approval for the acquisition of IC from Mr Jody Elliss as the IC Vendor under and for the purposes of Listing Rule 10.1.

If Resolution 4 is passed BIR will proceed (subject to raising sufficient capital) to complete the acquisition of IC.

If Resolution 4 is not passed BIR will not acquire IC.

#### **4.2.10 ASX Listing Rule 10.11**

BIR is also proposing to issue 11,720,000 Shares to Jody Elliss as part of the acquisition of IC (the "IC Issue").

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

10.11.1 a related party;

10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it is obtained with the approval of its shareholders.

The issue of 11,720,000 Shares to Jody Elliss as the IC Vendor falls within ASX Listing 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12, and accordingly, approval of Shareholders under ASX Listing Rule 10.11 is required.

Resolution 4 seeks Shareholder approval for the issue of shares under and for the purposes of ASX Listing Rule 10.11.

If Resolution 4 is passed BIR will be able to proceed with the IC Issue

If Resolution 4 is not passed BIR will not proceed with the IC Issue.

#### **4.2.11 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. The payment of the consideration for the acquisition of IC from Mr Jody Elliss as the IC Vendor would constitute giving a financial benefit and Mr Jody Elliss is a related party of the Company by virtue of being a director of the Company.

Accordingly, Resolution 4 also seeks Shareholder approval of the IC Acquisition for the purposes of Chapter 2E of the Corporations Act.

#### **Technical information required by ASX Listing Rules 10.5 and 10.13**

Pursuant to and in accordance with ASX Listing Rules 10.5 and 10.13, the following information is provided in relation to Resolution 4:

- (a) the IC Shares will be issued to Mr Jody Elliss as the IC Vendor (or his nominee) who is considered to be related party of the Company;
- (b) the maximum number of shares to be issued to IC Vendor is 11,720,000;
- (c) the IC Shares will be issued following completion of the raising of between \$3,500,000 and \$9,000,000 through the issue of "A" Class Redeemable Preference Shares by the Company and it is expected the IC Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the IC Shares will be issued for nil cash consideration as they represent part consideration for the Proposed IC Acquisition, and accordingly no funds will be raised;
- (e) the IC Shares will be issued on the same terms as all existing Shares in the Company;
- (g) Mr Jody Elliss and his related entities currently hold 41,628,834 Shares;
- (h) the directors, other than Jody Elliss, recommend that Shareholders vote in favour of Resolution 4. Mr Elliss as the related party to whom the financial benefit will be provided is unable to consider or make any recommendation in respect of Resolution 4.
- (g) approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the IC Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the IC Shares will not use up any of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

#### **4.2.13 Technical information required by ASX Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the IC Acquisition and will issue the 11,720,000 shares as part of the consideration for the IC Acquisition following completion of the raising of between \$3,500,000 and \$9,000,000 through the issue of "A" Class Redeemable Preference Shares by the Company and it is expected the IC Shares will be issued within one month of the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the IC Shares (because approval is being obtained under Listing Rule 10.11), the issue of the IC Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the IC Acquisition and will not issue the IC Shares to Mr Jody Elliss as the IC Vendor (or its nominee).

#### **4.2.14 Technical Information for Chapter 2E of the Corporations Act**

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of Resolution 4:

- (a) The related party to whom Resolution 4 would permit the benefit to be given is Mr Jody Elliss as the IC Vendor. Mr Jody Elliss is a related party of the Company by virtue of the fact he is a director of the Company.
- (b) The nature of the financial benefit:
- 11,720,000 Shares to be issued to Jody Elliss as the IC Vendor (or his nominee); and
  - \$500,000 in cash payable to Jody Elliss as the IC Vendor (or his nominee).

The IC Shares are fully paid ordinary shares that rank equally with existing Shares on issue.

- (c) Reasons for giving the benefit:

The reason for giving the benefit is set out in section 4.2.5 above.

- (d) The existing relevant interest of Mr Jody Elliss and the IC Vendor in securities of the Company is set out below:

Related Party	Shares	Options
Jody Elliss	41,628,834	13,863,274

The dilutive effect of the issue under Resolution 4 on the capital structure of the Company is set out in Schedule 2.

- (e) Valuation of the financial benefit to be given

The valuation of the consideration being paid to the related parties is set out in Section 4.2.9 under the heading Substantial Asset.

- (f) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolution 4.

### Recommendation

The Board (other than Jody Elliss who is conflicted and as such makes no recommendation) recommends that shareholders vote **in favour** of Resolution 4.

### Resolution 5. Issue of Options to employees, consultants and advisers.

The Company proposes to issue up to 9,000,000 10 Cent Options to various employees, consultants and advisers (or their nominees). The purpose of the issue of the 10 Cent Options is to incentivise the recipients in assisting the Company's growth and as a reward for services to date.

Shareholder approval is sought in respect of the issue of the 10 Cent Options for the purposes of ASX Listing Rule 7.1.

**Listing Rule 7.1** broadly provides that in any 12-month period, a company can issue equity securities up to 15% of its issued capital without shareholder approval. The Company is seeking Shareholder approval for the issue of the 10 Cent Options referred to in resolution 5 so that it can preserve its 15% placement capacity for other purposes, if required.

**Listing Rule 7.3** The following information in relation to the 10 Cent Options to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company can issue without shareholder approval under ASX LR7.1 is 22,781,378
- (b) The Company will issue up to 9,000,000 10 Cent Options exercisable at \$0.10 each and which will vest on as to 1/3<sup>rd</sup> of their number on each of the first, second and third anniversaries of their being issued. The 10 Cent Options will lapse on the 5<sup>th</sup> anniversary of their being issued if not exercised prior to that date.

The terms of the 10 Cent Options are set out in Annexure B.

No issue price will be paid in respect of the 10 Cent Options, the subject of Resolution 5. The 10 Cent Options the subject of Resolution 5 will be issued as incentives to various employees, consultants and advisers. The purpose of the issue of the 10 Cent Options pursuant to Resolution 5 is to incentivise various employees, consultants and advisers in assisting the Company's growth and as a reward for services to date.

- (c) Voting exclusions apply to Resolution 5 in the terms set out in the Notice.
- (d) The capital structure of the Company assuming completion of the IC Acquisition and the issue of the 10 Cent Options pursuant to Resolutions 5 and 6, 7 and 8 is set out below:

	Number	Undiluted %	Fully Diluted %
Existing Fully Paid Ordinary Shares	303,198,041	95.9%	71.36%
Acquisition of Investor Centre Pty Ltd	11,720,000	3.7%	2.76%
Shares to be issued on Conversion of Convertible Notes	1,313,294	0.4%	0.31%
<b>Total Issued shares after acquisition</b>	<b>316,231,335</b>	<b>100.0%</b>	
10 Cent Options (includes the issue of 10c options to directors the subject of Resolutions 6, 7 and 8 below)	15,000,000		3.53%
12 Cent Options	93,634,571		22.04%
<b>Fully diluted</b>	<b>424,865,906</b>		<b>100%</b>

#### **Resolutions 6, 7 and 8. Issue of Options to Directors**

Under Resolutions 6, 7 and 8 the Company proposes to issue 2,000,000 10 Cent Options to each of the Directors (total 6 million). The purpose of the issue of the 10 Cent Options is to incentivise the Directors to continue the growth of the Company's business.

Shareholder approval is sought in respect of the issues of the 10 Cent Options under Resolutions 6, 7 and 8 for the purposes of ASX Listing Rule 10.11.

#### **4.2.10 ASX Listing Rule 10.11**

BIR is also proposing to issue 2,000,000 10 Cent options to each of Mr Jody Elliss, Mr Robert J Fogarty and Mr Nicholas Pearce (or their nominees), each of whom is a Director of the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

10.11.1 a related party;

10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it is obtained with the approval of its shareholders.

The issue of 2,000,000 10 Cent Options to each of the Directors falls within ASX Listing 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12, and accordingly, approval of Shareholders under ASX Listing Rule 10.11 is required.

Resolutions 6, 7 and 8 seek Shareholder approval for the issue of options to the Directors under and for the purposes of ASX Listing Rule 10.11.

#### **Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6, 7 and 8:

- (a) 2,000,000 10 Cent Options will be issued to each of Mr Jody Elliss, Nicholas Pearce and Robert J Fogarty (or their nominees) each of whom is considered to be a related party of the Company;
- (b) the maximum number of 10 Cent Options to be issued to the Directors is 2,000,000 to each or (6,000,000 in total);
- (c) the 10 Cent Options will be issued no later than one month after the date of the Meeting
- (d) the 10 Cent Options will be issued for nil cash consideration and will have an exercise price of 10 Cents each;
- (e) the 10 Cent Options will be issued on the same terms as the options which are the subject of Resolution 5 and the terms are set out in Annexure B;
- (f) Mr Jody Elliss and his related entities currently hold 41,628,834 Shares and 13,863, 274 12 Cent Options; Mr Nicolas Pearce holds 10,020,00 Shares and Robert J Fogarty holds 223,618 Shares and 74,250 12 Cent Options.
- (g) The remuneration package of each of the Directors is as follows;

Mr Nicholas Pearce	\$60,000 per annum
Mr Jody Elliss	\$120,000 per annum
Mr Robert J Fogarty	\$60,000 per annum

(h) as each of the directors is a related party none is able to consider or make any recommendation in respect of Resolutions 6, 7 or 8.

(i) approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the 10 Cent Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the 10 Cent Options will not use up any of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Voting exclusions apply to Resolutions 6, 7 and 8 in the terms set out in the Notice.

The capital structure of the Company assuming completion of the IC Acquisition and the issue of the 10 Cent Options pursuant to Resolutions 5, 6,7 and 8 is set out below:

	Number	Undiluted %	Fully Diluted %
Existing Fully Paid Ordinary Shares	303,198,041	95.9%	71.36%
Acquisition of Investor Centre Pty Ltd	11,720,000	3.7%	2.76%
Shares to be issued on Conversion of Convertible Notes	1,313,294	0.4%	0.31%
Total Issued shares after acquisition	<b>316,231,335</b>	<b>100.0%</b>	
10 Cent Options	15,000,000		3.53%
12 Cent Options	93,634,571		22.04%
Fully diluted	<b>424,865,906</b>		<b>100%</b>

#### Recommendation

The Board (other than Jody Elliss who is conflicted and as such makes no recommendation) recommends that shareholders vote **in favour** of Resolution 6.

The Board (other than Nicholas Pearce who is conflicted and as such makes no recommendation) recommends that shareholders vote **in favour** of Resolution 7.

The Board (other than Robert Fogarty who is conflicted and as such makes no recommendation) recommends that shareholders vote **in favour** of Resolution 8.

## GLOSSARY

<b>10 Cent Options</b>	Means options to acquire Shares at 10 Cents each
<b>12 Cent Options</b>	Means options to acquire Shares at 12 Cents each
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by the ASX Limited (as the context requires).
<b>Board</b>	means the current board of BIR Financial Limited.
<b>Chair</b>	means the chair of the Meeting.
<b>Company</b>	means BIR Financial Limited ACN 074 009 091
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the current directors of BIR Financial Limited.
<b>Explanatory Statement</b>	means the explanatory statement accompanying the Notice of Meeting.
<b>IC</b>	means Investor Centre Pty Ltd ACN 151 755 190
<b>IC Acquisition</b>	means the acquisition of 100% of the issued capital of IC
<b>IC Shares</b>	means the 11,720,000 Shares to be issued to the IC Vendor or its nominee if Resolution 4 is approved by Shareholders
<b>IC Vendor</b>	means Jody Elliss
<b>Listing Rules</b>	means the Listing Rules of the ASX.
<b>Meeting</b>	means the meeting convened by the Notice of Meeting.
<b>Notice</b>	means this notice of general meeting including the Explanatory Statement and the Proxy Form.
<b>Proxy Form</b>	means the proxy form accompanying the Notice.
<b>Pulse Markets</b>	means Pulse Markets Pty Ltd ACN 081 505 268, the Company's 100% owned subsidiary
<b>Redemption Date</b>	means the date which is 5 years from the date of issue of the 'A' Class Redeemable Preference Shares
<b>Resolutions</b>	means the resolutions sought to be passed at the Meeting.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a person who is registered as holding Shares.

Schedule 1  
Pro-forma Balance Sheet IC Acquisition

	Consolidated Jun-23 \$	Minimum \$	Proforma Jun-23 \$	Maximum	Proforma Jun-23 \$
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	89,965	2,288,857	2,378,822	7,788,857	7,878,822
Receivables	62,146	85,992	148,138	85,992	148,138
<b>Total Current Assets</b>	<b>152,111</b>	<b>2,374,849</b>	<b>2,526,960</b>	<b>7,874,849</b>	<b>8,026,960</b>
<b>Non Current Assets</b>					
Acquisitions	-	1,027,400	1,027,400	1,027,400	1,027,400
Other assets	50,000	-	50,000	-	50,000
<b>Total Non Current Assets</b>	<b>50,000</b>	<b>1,027,400</b>	<b>1,077,400</b>	<b>1,027,400</b>	<b>1,077,400</b>
<b>Total Assets</b>	<b>202,111</b>	<b>3,402,249</b>	<b>3,604,360</b>	<b>8,902,249</b>	<b>9,104,360</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	576,265	-	576,265	-	576,265
Borrowings	1,169,780	(661,143)	508,637	(661,143)	508,637
Other liabilities	36,779	-	36,779	-	36,779
Provisions	218,092	-	218,092	-	218,092
<b>Total Current Liabilities</b>	<b>2,000,916</b>	<b>(661,143)</b>	<b>1,339,773</b>	<b>(661,143)</b>	<b>1,339,773</b>
<b>Non Current Liabilities</b>					
Preference Share	-	3,500,000	3,500,000	9,000,000	9,000,000
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>9,000,000</b>	<b>9,000,000</b>
<b>Total Liabilities</b>	<b>2,000,916</b>	<b>2,838,857</b>	<b>4,839,773</b>	<b>8,338,857</b>	<b>10,339,773</b>
<b>Net Liabilities</b>	<b>(1,798,805)</b>	<b>563,392</b>	<b>(1,235,413)</b>	<b>563,392</b>	<b>(1,235,413)</b>
<b>Equity</b>					
Issued capital	32,733,701	1,773,312	34,507,013	1,773,312	34,507,013
Share options	83,223	-	83,223	-	83,223
Accumulated losses	(34,615,729)	(1,209,920)	(35,825,649)	(1,209,920)	(35,825,649)
<b>Total Equity/ (Deficiency)</b>	<b>(1,798,805)</b>	<b>563,392</b>	<b>(1,235,413)</b>	<b>563,392</b>	<b>(1,235,413)</b>

Schedule 2

Dilutive Effect of the IC Acquisition

	PRE- IC ACQUISITION	%	POST IC ACQUISITION	%	Dilutionary Impact
IC VENDOR	41,628,834	13.7	53,348,834	16.9	
OTHER SHAREHOLDERS	261,569,207	86.3	261,569,207	83.1	3.2% decrease
TOTAL	303,198,041	100	314,918,041	100	

## **ANNEXURE A**

### **TERMS OF THE 'A' CLASS REDEEMABLE PREFERENCE SHARES**

#### **'A' CLASS REDEEMABLE PREFERENCE SHARES**

Each 'A' Class Redeemable Preference Share shall carry the following rights and obligations:

- (a) No right to vote except in each of the following circumstances:
  - (i) During a period during which a dividend (or part of a dividend) in respect of the 'A' Class Redeemable Preference Shares is in arrears;
  - (ii) On a proposal to reduce the Company's share capital;
  - (iii) On a resolution to approve the terms of a buy-back agreement;
  - (iv) On a proposal that affects rights attached to the 'A' Class Preference Shares;
  - (v) On a proposal to wind up the Company;
  - (vi) On a proposal for the disposal of the whole of the Company's property, business and undertaking; and
  - (vii) During the winding up of the Company.
- (b) Shall be entitled to be paid a cumulative dividend, equal to 10% per annum of the amount paid up on the 'A' Class Redeemable Preference Share in priority to all other classes of shares on issue;
- (c) Subject to Section 254 of the Corporations Act:
  - (i) May be redeemed by the Company at any time up to and including the 5<sup>th</sup> anniversary of the issue of the 'A' Class Redeemable Preference Shares;
  - (ii) Upon redemption the holder will be entitled to be paid the amount paid up on the 'A' Class Redeemable Preference Share so redeemed together with any accrued and unpaid dividends on that 'A' Class Redeemable Preference Share; and
  - (iii) Redemption of an 'A' Class Redeemable Preference Share by the Company will occur by the Company giving a written notice to the holder that the redemption has occurred and providing payment in the form of a cheque or direct bank deposit into the Shareholders nominated account;
- (d) On a winding up each 'A' Class Redeemable Preference Shares shall rank in priority to all other classes of shares on issue in respect of accrued and unpaid dividends and a return of capital with no further right to participate in a distribution of surplus assets; and
- (e) The right to receive notices of general meeting, reports and audited accounts and to attend general meetings.

## ANNEXURE B

### 10 Cent Option terms and conditions

The terms and conditions of the 10 Cent Options are as follows:

#### 1. Entitlement

Each 10 Cent Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.

#### 2. Vesting

The 10 Cent Options shall vest as to one-third on each of the first, second and third anniversary of their issue.

#### 3. Exercise Price and Expiry Date

The amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

The expiry date of each Option is 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse at 5.00pm (SYDNEY TIME) on the Expiry Date.

#### 4 Exercise Period

Subject to all necessary shareholder and regulatory approvals as determined by the Company (including but not limited to shareholder approval under Item 7 of section 611 of the *Corporations Act 2001 (Cth)*), vested 10 Cent Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

#### 5 Notice of Exercise

The 10 Cent Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each 10 Cent Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. A Notice of Exercise is available on request from the Share Registry which may be contacted as set out below:

1300 288 664 (within Australia)

+61 2 9698 5414 (outside Australia)

hello@automicgroup.com.au

between 9.00am and 5.00pm (Sydney time), Monday to Friday

#### 6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each 10 Cent Option being exercised in cleared funds (**Exercise Date**).

#### 7 Issue of Shares on exercise

Within 5 business days after the Exercise Date (or in the event shareholder and regulatory approvals are required pursuant to clause 4 above, within 5 business days after the date on which the Company obtains all necessary shareholder and regulatory approvals), the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of 10 Cent Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with

the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (c) if admitted to the official list of ASX at the time, subject to any restriction or escrow arrangements imposed by ASX, apply for official quotation on ASX of Shares issued pursuant to the exercise of the 10 Cent Options.

#### **8 Shares issued on exercise**

Shares issued on exercise of the 10 Cent Options rank equally with the then issued shares of the Company.

#### **9 Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of 10 Cent Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

#### **10 Participation in new issues**

There are no participation rights or entitlements inherent in the 10 Cent Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the 10 Cent Options without exercising the 10 Cent Options.

#### **11 Change in exercise price**

There will be no change to the exercise price of the 10 cent Options or the number of Shares over which the 10 Cent Options are exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

#### **12 Adjustment for bonus issues**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a 10 Cent Option will be increased by the number of Shares which the holder would have received if the holder of the 10 Cent Options had exercised the 10 Cent Option before the record date for the bonus issue; and
- (b) no change will be made to the 10 Cent Option exercise price.

#### **13 Transferability**

The 10 Cent Options are transferable.

Your proxy voting instruction must be received by **11.00am (AEST) on Wednesday, 15 November 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:

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+61 2 9698 5414 (Overseas)





# BIR Financial Limited

(ASX: BIR)

ACN 074 009 091

## Independent Expert's Report

Report to Existing Shareholders on the issue of new BIR shares for  
the Proposed Transaction to acquire of all issued shares in Investor Centre Pty Limited,  
in accordance with the shareholder approvals required under ASX Listing Rule 10.1 and Corporations Act 2001

Report Issued: 14 September 2023

14 September 2023

The Directors  
BIR Financial Limited  
Level 19  
10 Eagle Street  
Brisbane QLD 4000

**Titan Partners Corporate  
Finance Pty Limited**  
Australian Financial Services  
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Level 3, 7 Macquarie Place  
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PO Box R415  
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Dear Directors,

## INDEPENDENT EXPERT'S REPORT – BIR FINANCIAL LIMITED

### 1. Overview

#### 1.1 Introduction

Titan Partners Corporate Finance Pty Limited ("**Titan Partners Corporate Finance**", "**we**") was appointed by the directors of BIR Financial Limited ("**BIR**" or the "**Company**") as an independent expert, to provide an opinion on whether the proposed acquisition of 100% of the shares in Investor Centre Pty Limited ("**Investor Centre**", the "**Target**") is fair and reasonable to existing BIR shareholders (the "**Existing Shareholders**")<sup>1</sup>.

On 7 March 2023, BIR announced to the Australian Securities Exchange Limited ("**ASX**") that it had entered into a share acquisition agreement with the current shareholders of Investor Centre to acquire 100% of the Target's shares ("**Proposed Transaction**") for consideration comprising:

- The issue of 11,720,000 new BIR shares to the current shareholders of Investor Centre; and
- Cash of \$500,000.

The Proposed Transaction will be voted upon by Existing Shareholders at an extraordinary general meeting ("**EGM**") of the Company. Further details of the Proposed Transaction is set out in the Notice of Extraordinary General Meeting, which has been prepared by the Directors of BIR for the Existing Shareholders, and which our Report accompanies. We note that the EGM and corresponding notice of meeting will also consider items of business in addition to the Proposed Transaction which are beyond the scope of our engagement.

#### 1.2 Purpose

Investor Centre is an entity controlled by an associated entity of Mr Jody Elliss ("**Mr Elliss**"), a current director and Executive Chairman of BIR. In accordance with Section 228 of the *Corporations Act 2001*, as well as *ASX Listing Rules 10.1.1 and 10.11.1*, Mr Elliss is considered a related party of the Company.

Under *ASX Listing Rule 10.1*, BIR is required to seek shareholder approval to undertake the Proposed Transaction with Mr Elliss as a related party of the Company.

Existing Shareholders are being asked by BIR to vote on the resolution (Resolution 4 in the Notice of Extraordinary General Meeting) to approve the Proposed Transaction. To assist the Existing Shareholders in making an informed decision on whether to approve the Proposed Transaction and as required under *ASX Listing Rule 10.5.10*, we were appointed by the Directors of BIR to prepare an Independent Expert's Report ("**Report**"). Our Report will express an opinion as to whether or not the Proposed Transaction is fair and reasonable to Existing Shareholders.

Titan Partners Corporate Finance is independent of BIR and Investor Centre, with no interest in the outcome of the Proposed Transaction, other than the preparation of this Report.

<sup>1</sup> BIR Financial Limited is listed on the Australian Securities Exchange under the code "BIR"

### 1.3 Approach

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

#### *Fairness*

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

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

In accordance with the requirements of RG111, we have compared the fair value of a share in BIR prior to the Proposed Transaction on a controlling basis to the value of a share in BIR post completion of the Proposed Transaction on a minority basis. As part of our assessment of the Proposed Transaction, we consider the shares issued as part consideration for the acquisition of BIR.

#### *Reasonableness*

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

We therefore separately consider whether the Proposed Transaction is “fair” and “reasonable” from the perspective of the Shareholders, based on our assessment of these concepts.

## 2. Summary of Opinion

### 2.1 Opinion

We conclude, based on the assessment outlined in the remainder of this Report, that the Proposed Transaction is **not fair but reasonable** to the Existing Shareholders. The principal factors that we have considered in forming our opinion are summarised below. This summary should be read in conjunction with the remainder of our Report herein, that sets out in full the purpose, scope, basis of evaluation, limitations, detailed analysis and our financial and qualitative findings.

## 2.2 Assessment of Fairness

In determining whether the Proposed Transaction is fair to the Existing Shareholders, we have considered the assessed fair value of a share in BIR on a controlling basis prior to the Proposed Transaction, to the value of consideration offered, being the value of a BIR share on a minority basis post the Proposed Transaction. Our analysis is set out in Sections 8 through 10, where our assessed value per BIR share prior to Proposed Transaction is summarised in the table below and detailed in Section 8.

The value of a BIR share post the Proposed Transaction comprises the value of BIR prior to the Proposed Transaction and the valuation impact of the Proposed Transaction, being the acquisition of Investor Centre.

As set out in Section 9, we do not have reasonable grounds to use the forecast performance or future cash flows which may be generated to undertake a valuation of the Target business in accordance with RG111. We were also unable to apply alternative valuation methodologies to value the Investor Centre business as set out in Section 9. Therefore, we are unable to determine a value to Investor Centre in accordance with guidance under RG 111. Accordingly, we are unable to arrive at a conclusion on the value of a BIR share post the Proposed Transaction, which includes Investor Centre.

Based on the above, as we are unable to opine on the value of the consideration being the value of a BIR share post the Proposed Transaction, by default, we must consider the Proposed Transaction to be **not fair** for Shareholders.

BIR Financial Limited Valuation Summary		
cents per Share	Low	High
Value per BIR Shares prior to Proposed Transaction on a Control Basis	6.8	7.8
Value per BIR Shares post Proposed Transaction on a Minority Basis	N/A	N/A

*Source: Titan Partners Corporate Finance Analysis*

## 2.3 Assessment of Reasonableness

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

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

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

### Advantages

- Expansion and diversification of the BIR product and service offering to include the Investor Centre’s analytical tools and investor education programs which generate existing revenues for Investor Centre and should provide increased additional revenues for the combined group post the Proposed Transaction.
- Expanded potential customer reach for existing BIR services to include the current database of over 40,000 Investor Centre client contacts for future equity capital markets services led by BIR’s subsidiary Pulse Markets.
- The current/ existing balance sheet resources of BIR are not required for the Proposed Transaction, as funding for the cash component of consideration for the acquisition of Investor Centre will be by way of an issue of redeemable preference shares in the Company.
- A range of potential synergies identified by management across both the existing BIR and Investor Centre businesses include savings in information technology architecture and associated costs, regulatory compliance costs, marketing and promotions, accounting services and business administration. These synergies will significantly improve the path to profitability for the BIR business and ultimately positively improve the prospects for financial returns for the Existing Shareholders.

- Increase in size and scale of operations, as the Proposed Transaction is effectively a merger between the Company and the Target, where the Existing Shareholders will own a combined business with an enlarged portfolio of financial product and service offerings, in addition to the combined larger customer base which will provide opportunities to cross-sell the service offerings of both business across a broader target market than otherwise possible.
- Existing Shareholders will collectively retain control of the combined BIR business post the Proposed Transaction, as Mr Ellis (and his associates) will not obtain a controlling interest in BIR.
- Increase in the BIR share price since announcement of the Proposed Transaction to 31 May 2023 of circa 33% (based on the movement in the 1-month volume weight average price of BIR shares compared) indicates that investment markets (being the Australian Securities Exchange) and its participants have reacted positively to the Proposed Transaction by acquiring BIR shares at a higher price than that at which the shares traded prior to the announcement of the proposed transaction.
- Currently no alternative offers received.

#### Disadvantages

- The Proposed Transaction comprises a combined cash and equity consideration, which will require BIR to issue additional shares in the Company to the vendors of Investor Centre, resulting in a dilution of existing interests.
- Deterrence of alternative offers from other parties.
- The Proposed Transaction may proceed regardless of a particular shareholder's vote, given the relevant resolution being an ordinary resolution, is only required to be passed at meetings of shareholders by a simple majority of 50% of the votes cast.

In our opinion, based on the assessment of the advantages against the disadvantages, even though we concluded that the transaction is not fair, we consider the Proposed Transaction to be reasonable to Existing Shareholders.

#### 2.4 Other Factors

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

The Directors of BIR have recommended Shareholders vote in favour of the Proposed Transaction in the absence of a superior proposal.

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

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

Yours faithfully

**Titan Partners Corporate Finance Pty Limited**



**BRAD HIGGS**

Director

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## 3. Scope of Report

### 3.1 Historical Financial Performance

The financial performance of BIR for the three most recent financial years being FY2021, FY2022 and FY2023 extracted from the consolidated financial statements, are summarised in the table below.

BIR Financial Ltd							
Historical Operating Results							
\$'000s	Notes	FY2021		FY2022		FY2023	
		Actual	%	Actual	%	Actual	%
Revenue	1	2,305		2,942		1,287	
Cost Of Sales		1,700	73.8%	2,315	78.7%	1,223	95%
<b>Gross Profit</b>	2	<b>605</b>	<b>26.2%</b>	<b>627</b>	<b>21.3%</b>	<b>65</b>	<b>5.0%</b>
Other Income	3	122	5.3%	210	7.1%	-	-
Bad Debt Expense		16	0.7%	77	2.6%	7	0.5%
Fair Value Change	4	-	-	1,789	60.8%	-	-
General & Other		21	0.9%	588	20.0%	817	63.5%
Impairments		14	0.6%	8	0.3%	-	-
Occupancy Costs	5	119	5.2%	137	4.7%	-	-
Professional fees	6	774	33.6%	673	22.9%	241	18.7%
Salaries & Wages	7	480	20.8%	494	16.8%	329	25.6%
<b>Total Expenses</b>		<b>1,424</b>	<b>61.8%</b>	<b>3,683</b>	<b>125.2%</b>	<b>1,393</b>	<b>108.3%</b>
<b>Reported EBITDA</b>		<b>(697)</b>	<b>(30.2%)</b>	<b>(2,846)</b>	<b>(96.7%)</b>	<b>(1,329)</b>	<b>(103%)</b>
Depreciation		278	12.1%	159	5.4%	-	-
<b>Reported EBIT</b>		<b>(975)</b>	<b>(42.3%)</b>	<b>(3,005)</b>	<b>(102.1%)</b>	<b>(1,329)</b>	<b>(103%)</b>
Interest Expense	8	226	9.8%	106	3.6%	78	6.1%
<b>Reported NPBT</b>		<b>(1,201)</b>	<b>(52.1%)</b>	<b>(3,111)</b>	<b>(105.7%)</b>	<b>(1,406)</b>	<b>(109%)</b>

Source: Historical Financial Statements, Management Reports

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

1. Revenue increased from FY2021 to FY2022 despite brokerage revenue nearly halving between the years. This uplift was a result of ECM revenue increasing by 359% from \$0.443m in FY2021 to \$2.035m. ECM revenue represents income earned in relation to raising capital through equity issuances. Due to the transactional nature of ECM revenue, it can vary considerably between years as services are not recurring. As a result, ECM revenue declined to \$1.044m in FY2023. Brokerage revenue continued to decline in FY2023, representing only 22% of the amount generated in FY2022, which is a total decline of 89% from FY2021 to FY2023. The decline in both income streams has resulted in a significant reduction in revenue for FY2023 compared to FY2022 or FY2021.
2. Gross margins have been impacted by increasingly higher commissions as a percentage of revenue. ECM commissions have increased from 74% of ECM revenue in FY2021, to 81% of ECM revenue in FY2022 to 98% in FY2023. As ECM revenue represents the majority of income in FY2023 (81%) compared to FY2021 (19%), the declining margins significantly impacts BIR's gross profit margin. The ECM commission structure is on a fixed basis rather than variable, as such despite ECM revenue declining the costs have not. In addition, in FY2023 there were commissions associated with sub underwriting where Pulse made no margin from the sub

underwriting as Pulse passed the role onto a 3rd party. Despite generating no profit from these transactions, Pulse undertook this business in an attempt to increase market awareness of the Business and its capabilities.

3. Other income relates to COVID-19 related business support such as Cash Flow Boost, JobKeeper and rental relief. In addition, in FY2022 the Business also recognised a gain on the recognition of Right-of-Use Asset (“**ROU Asset**”) and lease liability associated with the early termination of an occupancy lease. Refer to Note 5 for more information.
4. The Business recorded a loss on the fair value change relating to convertible notes in FY2022. The loss on the change in fair value of the convertible notes was a result of issuing 4 million convertible notes (in two separate tranches of 2 million shares) in February and December 2020 to Moshav Custodians Pty Limited (“**Moshav**”). Moshav sold these convertible notes to Wagering Technologies Pty Limited (“**Wagering**”) on 25 October 2021, who issued a conversion notice to the Company. BIR issued 20,185,797 fully paid ordinary shares on 27 October 2021 to Wagering and recognised the change in fair value of the convertible notes.
5. Occupancy costs declined from \$137,000 in FY2022 to nil in FY2023 as a result of the Business terminating its lease early. A gain in the value of the ROU Asset and lease liability was recorded in FY2022.
6. The Business incurred significant legal fees and settlement costs in FY2021 and FY2022. These fees and settlements are a result of claims being made against the Company by the former Pulse CEO Andrew Braund and the Australian Financial Complaints Authority (“**AFCA**”). Mr Braund had made claims against the Business as a result of his termination as CEO of Pulse, and also in respect of a Share Sale Agreement between Mr Braund, Pulse and BIR. BIR issued 15 million fully paid ordinary shares to Mr Braund as part of its settlement. In addition to the dealings with Mr Braund, the Business also settled amounts with AFCA as a result of claims made against the Company. Both matters were completed and closed in FY2022, resulting in the decline in fees in FY2023. Also included in professional fees are corporate and financial advice and regulatory costs.
7. Salaries and wages have remained consistent between the three periods on an annualised basis. We note that due to the decline in revenue, combined with the consistent level of costs, salaries and wages represent a greater portion of the business costs compared to revenue in FY2023. Note that salaries and wages expenses also include directors fees.
8. Interest expense is comprised of interest on convertible notes, interest recognised on lease liabilities and loans. Due to the conversion of the convertible notes and the early termination of the leases in FY2022, interest expense has continued to decline from FY2021 to FY2023.

[this section is intentionally left blank]

### 3.2 Purpose of the Report

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

Chapter 10 of the *ASX Listing Rules* requires the approval of the non-associated shareholders of a company if the company proposes to acquire or dispose a substantial asset from a related party or a substantial holder. *ASX Listing Rule 10.5.10* requires that the notice of meeting for the resolution to approve such a transaction to include an Independent Expert's Report that sets out whether the Transaction is fair and / or reasonable.

As stated in Section 1.2 above, Mr Elliss is a related party of the BIR as a current director and Executive Chairman. Payment of the consideration by BIR, under the Proposed Transaction to acquire Investor Centre from Mr Elliss' associated entity, would constitute the giving of a financial benefit to a related party of the Company. Sections 217 to 227 of the *Corporations Act 2001* sets out the manner in which the Company is required to obtain the approval of the Company's members to provide a financial benefit to a related party of the Company.

Under *ASX Listing Rule 10.2*, an asset is "substantial" if its value, or the value of the consideration being paid or received by the entity for it, is (or in ASX's opinion is) 5% or more of the equity interests of the entity as set out in the latest financial reports lodged with the ASX. Based on the consideration offered by BIR for all the shares in Investor Centre as set out above and the total equity of -\$1.298 million in the half-year Financial Report to 31 December 2022, Investor Centre is a substantial asset of BIR for the purposes of *ASX Listing Rule 10.2*. As such, BIR is required to seek the approval of Existing Shareholders for the Proposed Transaction.

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

This Report has been prepared to assist Existing Shareholders to consider, whether to approve the Proposed Transaction, as summarised at Section 4 below, under the provisions in *ASX Listing Rule 10*. The Report herein sets out our approach, analysis and opinion as to whether the Proposed Transaction is fair and reasonable to Existing Shareholders.

Our Report is to be included in the Notice of Extraordinary General Meeting to be issued to Existing Shareholders in accordance with the *Corporations Act 2001* and has been prepared for the exclusive purpose of assisting the Shareholders in their consideration of the Proposed Transaction.

### 3.3 Basis of Assessment

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

RG111 indicates the principles and matters which it expects an expert person preparing an independent expert report to consider. The regulations in RG111 require an independent expert to consider the Proposed Transaction under the concepts of "fairness" and "reasonableness".

#### ***Fairness***

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

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

In accordance with the requirements of RG111, we have compared the fair value of a share in BIR on a controlling basis prior to the Proposed Transaction to the value of a share in BIR post completion of the Proposed Transaction on a minority basis which encompasses the issue of shares as part consideration for the acquisition of BIR.

### **Reasonableness**

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

We therefore separately consider whether the Proposed Transaction is “fair” and “reasonable” from the perspective of the Shareholders.

### **3.4 Sources of Information**

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

### **3.5 Limitations and Reliance on Information**

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

Titan Partners Corporate Finance has no obligation to, nor does it undertake to, advise any person of any change in circumstances that has come to its attention after the date of this Report or to review, revise or update this Report or the opinions contained herein. It is understood that the financial information provided to us was prepared in accordance with generally accepted accounting principles and Australian Equivalents to International Financial Reporting Standards issued by the AASB<sup>2</sup>.

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

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

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

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

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<sup>2</sup> Australian Accounting Standards Board

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

[this section is intentionally left blank]

## 4. The Proposed Transaction

### 4.1 Transaction Summary

#### *Introduction*

On 7 March 2023, BIR announced to the ASX ("**7 March Announcement**") that it entered into a conditional agreement to acquire 100% of Investor Centre in exchange for consideration comprising cash and newly issued BIR shares. The 7 March Announcement follows an announcement on 12 January 2023 by the Company that BIR was in the process of negotiating the acquisition of a marketing services organisation subsequently revealed to be Investor Centre.

#### *Acquisition of Investor Centre*

Investor Centre is a privately held company and a provider of stock market software and data solutions to corporate and retail clients and is further discussed at Section 6 below.

Under the Proposed Transaction, consideration for the acquisition of all of the issued shares of Investor Centre will comprise:

- the payment of \$500,000 in cash; and
- issue of 11,720,000 new shares in BIR to the current shareholders of Investor Centre.

#### *Approvals Required*

As outlined in Section 1.2 and 3.1 above, as the current shareholder of Investor Centre is controlled by an associated entity of Mr Elliss, a current director of BIR, the Proposed Transaction is deemed to be a related party transaction which falls within the scope of ASX Listing Rule 10. In order to proceed, the Proposed Transaction must be approved by Existing Shareholders of BIR not associated with Mr Elliss at an extraordinary general meeting ("**EGM**").

Accordingly, the directors of BIR have tabled Resolution 4 in the Notice of Extraordinary General Meeting for Existing Shareholders to determine whether to approve the issue of new BIR shares to the current owners of Investor Centre.

#### *Terms and Conditions*

As set out in the 7 March Announcement, the implementation of the Proposed Transaction is subject to the satisfaction of a number of conditions precedent, including the following:

- The Company and the Investor Centre Shareholder executing and delivering the Share Purchase Agreement and any ancillary documents necessary to register the shares in Investor Centre;
- BIR raising a minimum of A\$3.5 million by way of the issue of Preference Shares and ASX agreeing to list the Preference Shares;
- There being no material adverse changes with respect to Investor Centre between the date of the agreement and Completion;
- The release of all security interests affecting the Investor Centre Shares;
- The discharge of all related and unrelated debt in Investor Centre; and
- BIR obtaining all necessary shareholder and regulatory approvals.

## 4.2 Associated Transactions

In addition to the Proposed Transaction, BIR management are planning to execute additional transactions which are presented as separate resolutions in the EGM as set out in the Explanatory Memorandum.

### *Capital Raising*

In the 7 March Announcement, BIR also announced that the Company plans to undertake a capital raising to fund the Proposed Transaction, by way of an issue of redeemable preference shares (“**Preference Shares**”). Specifically, Resolution 4 in the Notice of Extraordinary General Meeting states that BIR will issue a prospectus to be lodged with the ASX, where it will look to issue of up to 240,000 Class “A” Preference Shares, at an issue price of \$25 per Preference Share. If fully subscribed the issue of Preference Shares will raise \$9 million. The Company has targeted \$3.5 million as the minimum amount to be raised under the capital raising.

### *Associated Transactions and this Report*

The capital raising to be undertaken via an issue of Preference Shares is hereafter referred to as the “**Associated Transaction**”. For the avoidance of doubt, our Report herein is focused on the Proposed Transaction and does not opine on the Associated Transaction.

## 4.3 Key Implications of Proposed Transaction

If approved by the Shareholders, the Proposed Transaction would result in the following changes when completed, from the perspective of the Existing Shareholders:

- **Diversification of Operations** – In addition to the existing financial markets operations of the Company, BIR will acquire the current operations and all associated assets of Investor Centre including intellectual property pertaining to current operations. As such, the products and services offering of the Company will expand to including the proprietary trading software currently marketed by Investor Centre.
- **Director Shareholding** – As an existing shareholder of BIR and ultimate shareholder of Investor Centre, the interest of Mr Ellis in BIR will increase following the Proposed Transaction and Associated Transactions.
- **Relative Shareholding** – As a result of the issue of new BIR shares to current shareholders of Investor Centre, the interests of Existing Shareholders (excluding interests held by Mr Ellis or his associate entities) will change from 13.9% of the current operations to 17.1% of an enlarged BIR post the Proposed Transaction and Associated Transaction, as summarised in the Post Completion Ownership Structure set out below.

**Post Completion Ownership Structure**

If approved by Existing Shareholders and subsequently completed as set out above, the new ownership structure of BIR comprising the existing BIR and Investor Centre shareholders is summarised below.

The Investor Centre shareholders, being an associate of Mr Ellis, will hold approximately 3.8% of the total issued shares in BIR following the Proposed Transaction and the Associated Transactions.

As set out in Section 5.2 below, Mr Ellis currently holds shareholdings in BIR both directly in his personal capacity as well as indirectly via entities which he controls (collectively the “**Elliss Associates**”). Combined the Elliss Associates hold approximately 41.6 million shares in BIR, or 3.9% of the total shares currently outstanding (of 300.3 million). Following the Proposed Transaction and the Associated Transaction, the Elliss Associates will hold a total of 17.1% interest in the enlarged BIR (including Investor Centre).

BIR Financial Limited Post Completion Shareholding Structure		
	Shares	%
Existing BIR Shares held by Mr Ellis and Elliss Associates	41,628,834	3.9
Existing BIR Shares held by shareholders not associated with Mr Ellis	258,666,380	82.9
<b>Total Existing BIR Shares on Issue</b>	<b>300,295,214</b>	<b>96.2</b>
New BIR Shares to be Issued to Vendors	11,720,000	3.8
<b>Total Post Transaction BIR Shares on Issue</b>	<b>312,015,214</b>	<b>100.0</b>

*Source: Historical Financial Statements, Management Reports*

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## 5. Profile of BIR Financial

### 5.1 Business Overview

#### *History and Introduction*

BIR was founded in 1996 and listed on the ASX on 31 July 2006. BIR owns 100% of Pulse Markets Pty Limited (“**Pulse Markets**” or “**Pulse**”), a provider of a range of financial services to institutional, corporate and wholesale/experienced clients. Services provided by Pulse Markets include executing trades of equities and derivatives on the ASX on behalf of its clients, being Self-Managed Superannuation Funds, sophisticated investors and institutional clients, as well as raising equity capital. Pulse Markets holds an Australian Financial Services License (“**AFSL**”) and the business is currently the key asset of the Company. Pulse Markets’ core strategy is to offer innovative financial products and an investment management capability to the financial planning market.

The Business has experienced consistent revenue growth over the past 4 financial years, however has generated operating losses in each of those years.

### 5.2 Ownership Structure

Major shareholders of BIR as at 14 August 2023 are summarised below.

BIR Financial Limited Current Ownership Structure			
Name	Notes	Units	%
<b>Major Shareholders</b>			
Ms Phacharanad Monthanyanan	A	44,153,846	14.7
Mr Jody Wayne Elliss	B	38,605,695	12.9
Nicholas Jan Politylo		30,000,000	10.0
Netwealth Investments Limited		29,715,829	9.9
Bnp Paribas Nominees Pty Ltd		18,048,514	6.0
Greg Starr & Associates Pty Ltd		15,250,000	5.1
Gorilla Money Pty Ltd		11,212,500	3.7
Stealth Angel Pty Ltd		11,212,500	3.7
New Horizons Equity Pty Ltd	C	10,199,026	3.4
Taurus Equity Pty Ltd	D	10,020,000	3.3
Wagering Technologies Pty Ltd		8,656,706	2.9
Microfunding Pty Ltd		6,599,580	2.2
Mr Andrew James Braund		6,262,778	2.1
Mr Robert John Fogarty	E	5,844,089	1.9
Niedzica Pty Ltd		5,000,000	1.7
Rogusz Nominees Pty Ltd		4,000,000	1.3
Mrs Yinghua Gu		3,960,527	1.3
Amram Corp Pty Ltd	B	3,023,139	1.0
T-Super Pty Limited	F	3,000,000	1.0
Silberman Holdings Pty Ltd		2,074,859	0.7
<b>Top 20 Shareholders</b>		<b>266,839,588</b>	<b>88.9</b>
Other Shareholders		33,455,626	11.1
<b>Total Shares Issued</b>		<b>300,295,214</b>	<b>100.0</b>

*Source: BIR Share Register as at 14 August 2023*

- A. Ms Phacharanad Monthanyanan resigned as a Director of BIR on 17 March 2023.
- B. Mr Elliss is a current director and Executive Chairman of the Company, who holds shares in the Company in his personal capacity as well as via his controlled entity Amram Corp Pty Ltd.
- C. New Horizons Equity Pty Limited is an entity formerly owned by current Director Mr Elliss. We have been informed that this entity has been sold and Mr Elliss no longer owns any shares in the Company.
- D. Mr Pearce is a current non-executive director of the Company who holds shares in the Company via his controlled entity Taurus Equity Pty Ltd.
- E. Mr Fogarty is a current director of BIR and holds shares in his personal capacity only.
- F. T-Super Pty Limited is wholly owned by former Director Mr Tomasz Murmylo. Mr Murmylo resigned as a Director of BIR on 5 April 2023.

The Directors of BIR own a varying number of shares in the Company. Listed below are the respective shareholdings in BIR of each of the three current directors of the Company, either directly owned in their personal name or through entities they control. We note that Mr Elliss owns 13.9% of BIR, Mr Robert Fogarty owns 2.0% and Mr Nicholas Pearce owns 3.3% of BIR.

BIR Financial Limited			
Directors Current Ownership Structure			
Board Member	Entity	Units	%
Mr Jody Elliss	Personal	38,605,695	12.9
Mr Jody Elliss	AMRAM Corp Pty Limited	3,033,139	1.0
	<i>Total Elliss Associates</i>	41,628,834	13.9
Mr Robert Fogarty	Personal	5,894,089	2.0
	<i>Total Mr Fogarty Associates</i>	5,894,089	2.0
Mr Nicholas Pearce	Taurus Equity Pty Ltd	10,020,000	3.3
	<i>Total Mr Pearce Associates</i>	10,020,000	3.3
	<b>Total Shares Held by Directors</b>	<b>57,542,923</b>	<b>19.2</b>
	Other Shareholders	242,752,291	80.8
	<b>Total Shares Outstanding</b>	<b>300,295,214</b>	<b>100.0</b>

*Source: BIR Share Register as at 14 August 2023*

In addition to the shares on issue, BIR has also previously issued options in the Company.

A summary of the options held by Directors either directly in their personal name or through entities they control, and other major options holders as at 14 August 2023 is presented below. We note two of the major shareholders listed above who are not Directors or are entities owned by Directors also have large holdings of options.

Of the total options on issue, we note that Mr Elliss owns 14.8%, Mr Robert Fogarty owns 0.1% and Mr Nicholas Pearce does not hold any options in the Company.

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BIR Financial Limited			
Directors and Major Holders' Options Ownership Structure			
Name		Units	%
<b>Options Held by Directors</b>			
Mr Jody Elliss	Personal	12,868,565	13.7
Mr Jody Elliss	AMRAM Corp Pty Limited	994,709	1.1
	<i>Total Elliss Associates</i>	<u>13,863,274</u>	<u>14.8</u>
Mr Robert Fogarty	Personal	74,540	0.1
	<i>Total Mr Fogarty Associates</i>	<u>74,540</u>	<u>0.1</u>
Mr Nicholas Pearce	Personal	-	-
	<i>Total Mr Pearce Associates</i>	<u>-</u>	<u>-</u>
	<b>Total Options Held by Directors</b>	<b>13,937,814</b>	<b>14.9</b>
<b>Other Major Option Holders</b>			
New Horizons Equity Pty Ltd		27,508,228	29.4
Mr Andrew James Braund		21,524,019	23.0
	<b>Total Major Option Holders</b>	<b>49,032,247</b>	<b>52.4</b>
	Other Option-Holders	79,696,757	85.1
	<b>Total Options Issued</b>	<b>93,634,571</b>	<b>100.0</b>

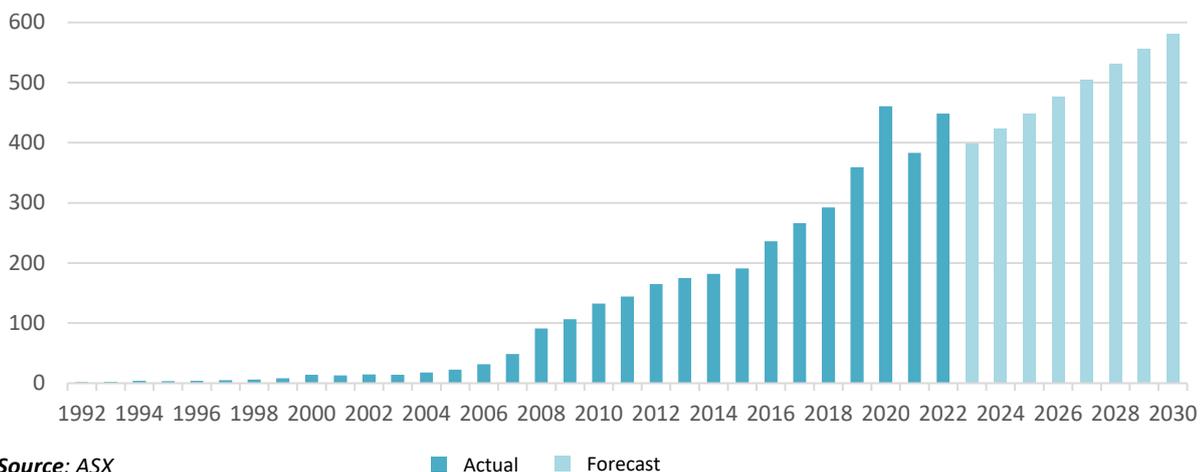
Source: BIR Share Register as at 14 August 2023

### 5.3 Industry Overview

Pulse Markets, the wholly owned and the sole operating entity of BIR, operates in the financial services industry. Specifically, it provides financial markets related services to institutional, corporate and wholesale clients with respect to ASX-listed securities and equity capital markets ("ECM") transactions advice for ASX-listed entities.

ASX trading volumes have increased significantly over the last 30 years. As the volume of trades have increased, caused by a greater interest in financial markets across institutional and retail investors, brokers have generated more revenue through charging fees on the high trading volumes and provided market related services. Refer below for ASX volume of trades by financial year between 1992 and 2022, with a forecast to 2030 by the ASX.

Trade Volume by Financial Year (Millions)

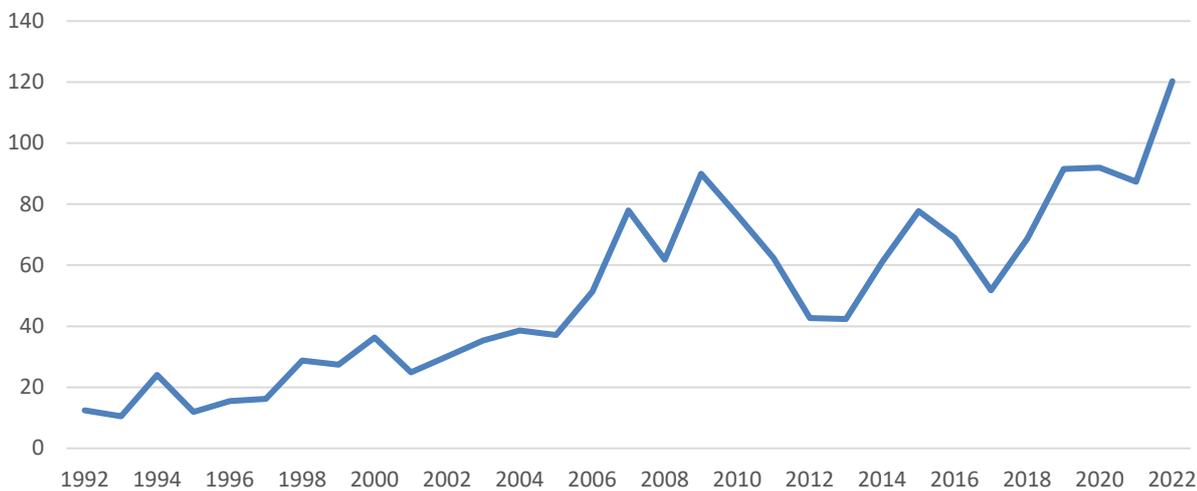


Source: ASX

Although trading volumes have increased, the industry has experienced technology disruption, higher compliance costs and strong competition which has reduced profit margins for businesses conducting trades (execution) for clients, particularly over the last 5 years.<sup>3</sup> Disruptive technologies such as automated trading systems allow traders to execute trades instantly without having to manually interact with the market. Additionally, many players have increasingly offered user-friendly online trading facilities for a fraction of the fees charged by full-service brokers.<sup>4</sup> Volatility in overseas financial markets has made the Australian share market favourable for offshore investors over the past five years. Offshore investors prefer to use full-service brokers, as they also provide investment advice as well as execution and trading services.

Similar to executing trades on equities and derivatives, advisors for initial public offerings (“IPO”) and other ECM transactions charge fees based on the amount of capital raised. While volatility in global markets has resulted in the Australian share market becoming favourable for offshore investors, that same volatility, combined with stringent rules and regulations from ASIC and the ASX itself, has resulted in a significant decline in IPOs occurring in FY2023. However, the trend follows a record year in FY2022 which saw the highest number of IPOs, as well as the largest amount of capital raised. Refer below for ASX capital raising amounts by year between 1992 and 2022.<sup>5</sup>

**Amount Raised via Equity Capital Raising Transactions on the ASX (\$ Billion)**



Source: ASX

### Outlook

IPO activity is expected to decline significantly in FY2024. Inflationary pressures and subsequent interest rate rises are anticipated to subdue business confidence and limit the amount of equity raised through investors, due to the decrease in confidence in share markets.<sup>6</sup>

Over the next five years, the total value of equity capital raisings is expected to follow the economic cycle, while continuing to exhibit a degree of volatility. Growth in the technology sector is anticipated to support the activity and value of equity capital raisings, especially as an increasing number of fintech companies seek funding. Overall, IBISWorld forecasts the total value of equity capital raisings to grow at a compound annual rate of 0.3% over the five years through 2026-27, to reach \$122.4 billion.<sup>7</sup>

<sup>3</sup> IBISWorld Business Environment Report I4116 Number of Stock Market Trades

<sup>4</sup> IBISWorld Report K6411A Investment Banking and Securities Brokerage in Australia

<sup>5</sup> IBISWorld Business Environment Report I4117 Amount of Equity Capital Raising

<sup>6</sup> IBISWorld Report K6411A Investment Banking and Securities Brokerage in Australia

<sup>7</sup> IBISWorld Business Environment Report I4117 Amount of Equity Capital Raising

#### 5.4 Historical Financial Performance

The financial performance of BIR for the three most recent financial years being FY2021, FY2022 and FY2023 extracted from the consolidated financial statements, are summarised in the table below.

BIR Financial Ltd							
Historical Operating Results							
\$'000s	Notes	FY2021		FY2022		FY2023	
		Actual	%	Actual	%	Actual	%
Revenue	1	2,305		2,942		1,287	
Cost Of Sales		1,700	73.8%	2,315	78.7%	1,223	95%
<b>Gross Profit</b>	2	<b>605</b>	<b>26.2%</b>	<b>627</b>	<b>21.3%</b>	<b>65</b>	<b>5.0%</b>
Other Income	3	122	5.3%	210	7.1%	-	-
Bad Debt Expense		16	0.7%	77	2.6%	7	0.5%
Fair Value Change	4	-	-	1,789	60.8%	-	-
General & Other		21	0.9%	588	20.0%	817	63.5%
Impairments		14	0.6%	8	0.3%	-	-
Occupancy Costs	5	119	5.2%	137	4.7%	-	-
Professional fees	6	774	33.6%	673	22.9%	241	18.7%
Salaries & Wages	7	480	20.8%	494	16.8%	329	25.6%
<b>Total Expenses</b>		<b>1,424</b>	<b>61.8%</b>	<b>3,683</b>	<b>125.2%</b>	<b>1,393</b>	<b>108.3%</b>
<b>Reported EBITDA</b>		<b>(697)</b>	<b>(30.2%)</b>	<b>(2,846)</b>	<b>(96.7%)</b>	<b>(1,329)</b>	<b>(103%)</b>
Depreciation		278	12.1%	159	5.4%	-	-
<b>Reported EBIT</b>		<b>(975)</b>	<b>(42.3%)</b>	<b>(3,005)</b>	<b>(102.1%)</b>	<b>(1,329)</b>	<b>(103%)</b>
Interest Expense	8	226	9.8%	106	3.6%	78	6.1%
<b>Reported NPBT</b>		<b>(1,201)</b>	<b>(52.1%)</b>	<b>(3,111)</b>	<b>(105.7%)</b>	<b>(1,406)</b>	<b>(109%)</b>

Source: Historical Financial Statements, Management Reports

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

1. Revenue increased from FY2021 to FY2022 despite brokerage revenue nearly halving between the years. This uplift was a result of ECM revenue increasing by 359% from \$0.443m in FY2021 to \$2.035m. ECM revenue represents income earned in relation to raising capital through equity issuances. Due to the transactional nature of ECM revenue, it can vary considerably between years as services are not recurring. As a result, ECM revenue declined to \$1.044m in FY2023. Brokerage revenue continued to decline in FY2023, representing only 22% of the amount generated in FY2022, which is a total decline of 89% from FY2021 to FY2023. The decline in both income streams has resulted in a significant reduction in revenue for FY2023 compared to FY2022 or FY2021.
2. Gross margins have been impacted by increasingly higher commissions as a percentage of revenue. ECM commissions have increased from 74% of ECM revenue in FY2021, to 81% of ECM revenue in FY2022 to 98% in FY2023. As ECM revenue represents the majority of income in FY2023 (81%) compared to FY2021 (19%), the declining margins significantly impacts BIR's gross profit margin. The ECM commission structure is on a fixed basis rather than variable, as such despite ECM revenue declining the costs have not. In addition, in FY2023 there were commissions associated with sub underwriting where Pulse made no margin from the sub underwriting as Pulse passed the role onto a 3rd party. Despite generating no profit from these transactions, Pulse undertook this business in an attempt to increase market awareness of the Business and its capabilities.

3. Other income relates to COVID-19 related business support such as Cash Flow Boost, JobKeeper and rental relief. In addition, in FY2022 the Business also recognised a gain on the recognition of Right-of-Use Asset (“**ROU Asset**”) and lease liability associated with the early termination of an occupancy lease. Refer to Note 5 for more information.
4. The Business recorded a loss on the fair value change relating to convertible notes in FY2022. The loss on the change in fair value of the convertible notes was a result of issuing 4 million convertible notes (in two separate tranches of 2 million shares) in February and December 2020 to Moshav Custodians Pty Limited (“**Moshav**”). Moshav sold these convertible notes to Wagering Technologies Pty Limited (“**Wagering**”) on 25 October 2021, who issued a conversion notice to the Company. BIR issued 20,185,797 fully paid ordinary shares on 27 October 2021 to Wagering and recognised the change in fair value of the convertible notes.
5. Occupancy costs declined from \$137,000 in FY2022 to nil in FY2023 as a result of the Business terminating its lease early. A gain in the value of the ROU Asset and lease liability was recorded in FY2022.
6. The Business incurred significant legal fees and settlement costs in FY2021 and FY2022. These fees and settlements are a result of claims being made against the Company by the former Pulse CEO Andrew Braund and the Australian Financial Complaints Authority (“**AFCA**”). Mr Braund had made claims against the Business as a result of his termination as CEO of Pulse, and also in respect of a Share Sale Agreement between Mr Braund, Pulse and BIR. BIR issued 15 million fully paid ordinary shares to Mr Braund as part of its settlement. In addition to the dealings with Mr Braund, the Business also settled amounts with AFCA as a result of claims made against the Company. Both matters were completed and closed in FY2022, resulting in the decline in fees in FY2023. Also included in professional fees are corporate and financial advice and regulatory costs.
7. Salaries and wages have remained consistent between the three periods on an annualised basis. We note that due to the decline in revenue, combined with the consistent level of costs, salaries and wages represent a greater portion of the business costs compared to revenue in FY2023. Note that salaries and wages expenses also include directors fees.
8. Interest expense is comprised of interest on convertible notes, interest recognised on lease liabilities and loans. Due to the conversion of the convertible notes and the early termination of the leases in FY2022, interest expense has continued to decline from FY2021 to FY2023.

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## 5.5 Normalised Financial Performance

Consistent with the historical financial information summarised in Section 5.4 above, we have applied adjustments to actual results in FY2021, FY2022 and FY2023 following discussions with BIR management. Our adjustments remove the impact of one-off and non-operational factors to normalise earnings of the BIR Group.

BIR Financial Ltd Normalisations							
\$'000s	Notes	FY2021		FY2022		FY2023	
		Actual	%	Actual	%	Actual	%
<b>Reported EBITDA</b>		<b>(697)</b>	<b>(30.2%)</b>	<b>(2,846)</b>	<b>(96.7%)</b>	<b>(1,329)</b>	<b>(103%)</b>
<b>Normalisation Adjustments</b>							
Fair Value Change	1	-	-	1,789	60.8%	-	-
Impairment of Financial Asset	2	14	0.6%	8	0.3%	-	-
Rent Waiver	3	-	-	(50)	(1.7%)	-	-
Debt forgiveness	4	-	-	(50)	(1.7%)	-	-
Gain on Derecognition of Right of Use Asset and Lease Liability	5	-	-	(91)	(3.1%)	-	-
JobKeeper	6	(41)	(1.8%)	-	-	-	-
AFCA Settlement expenses	7	50	2.2%	90	3.1%	-	-
Legal expenses	8	89	3.9%	412	14.0%	205	15.9%
Rent	9	59	2.6%	96	3.3%	-	-
<b>Total Adjustments</b>		<b>171</b>	<b>7.4%</b>	<b>2,204</b>	<b>74.9%</b>	<b>-</b>	<b>-</b>
<b>Normalised EBITDA including AASB16</b>		<b>(526)</b>	<b>(22.8%)</b>	<b>(642)</b>	<b>(21.8%)</b>	<b>(1,124)</b>	<b>(87.4%)</b>
AASB16 Depreciation	10	265	11.5%	154	5.2%	-	-
<b>Normalised EBITDA excluding AASB16</b>		<b>(791)</b>	<b>(34.3%)</b>	<b>(796)</b>	<b>(27.1%)</b>	<b>(1,124)</b>	<b>(87.4%)</b>

*Source: Historical Financial Statements, Management Reports*

Specifically, our normalisation adjustments are in respect of:

- As outlined in Section 5.4 above, a \$1.789m loss was recognised in FY2022 on change in fair value of convertible notes issued to Wagering. The conversion is a non-operating and non-recurring transaction.
- BIR recognised an impairment of financial assets in both FY2021 and FY2022. The financial assets which were impaired relate to shares held in escrow as a result of excess expenditure and other matters involved in the sale of Pulse to BIR. Due to the additional costs and the other matters, the Pulse vendors agreed to reimburse BIR \$270,000 when shares received from the sale of Pulse are released from escrow. These shares were impaired to nil by FY2022, reflecting management's assessment of a change in the fair value of these shares. Given BIR's ordinary business is not the purchase of businesses, costs incurred in the acquisition of businesses are considered to be non-operational. Therefore, the impairment of shares held in escrow associated with the acquisition are considered to be non-operational.
- Debt forgiveness received as a result of COVID-19 pandemic. Pandemic related income and concessions represent one-off, non-operational items.
- Rent waiver received as a result of COVID-19 pandemic. Pandemic related income and concessions represent one-off, non-operational items.
- Gain on derecognition of Right-Of-Use Asset and Lease Liability accounts as a result of an early termination of a lease is non-operational and does not represent the normal operations of the Group.
- JobKeeper payments received as a result of COVID-19 pandemic. Pandemic related income and concessions represent one-off, non-operational items.

7. The Business was subject to, through its subsidiary Pulse, claims made against it in earlier years by the AFCA, which it settled over FY2021 and FY2022. The handling and settlement of claims against the company are abnormal to the operations and not recurring expenditures.
8. The Business incurred increased legal fees as part of the AFCA claim made against it, as well as claims made by former CEO Andrew Braund arising from his termination as CEO of Pulse Markets, and claims arising from a Share Sale Agreement between Mr Braund, Pulse Markets and BIR. BIR issued 15 million fully paid ordinary shares to Mr Braund as part of its settlement.
9. The Business terminated its lease during the course of the COVID-19 pandemic in FY2022, at which time all staff have since been working from home, with this arrangement to continue. As a result, historical rent costs are not representative of the current operations of the Business and therefore have been normalised.
10. Due to the introduction of AASB16 effective 1 January 2019, lease payments are no longer recognised in EBITDA, instead recorded as depreciation on Right-Of-Use Assets and interest payments. We have incorporated this depreciation and interest expense, being materially reflective of the payments made for occupying leased premises, as a separate line item to more accurately reflect the actual costs of operating the Business.

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## 5.6 Financial Position

The financial position of BIR as at the end of FY2022 and FY2023 is summarised below. We note that FY2022 is presented on a consolidated basis per the financial statements released to the ASX on 31 August 2022, while FY2023 is the consolidated Balance Sheets as released via the ASX on 31 August 2023, where management have also supplied management information separately for BIR and Pulse Markets to use for FY2023.

BIR Financial Limited Historic Balance Sheet			
\$'000s	Notes	FY2022 Actual	FY2023 Actual
<b>Current Assets</b>			
Cash		69	90
Debtors		45	62
Other Current Assets	1	23	50
<b>Total Current Assets</b>		<b>137</b>	<b>202</b>
<b>Non-Current Assets</b>			
Other Non-Current Assets	1	100	-
<b>Total Non-Current Assets</b>		<b>100</b>	<b>-</b>
<b>Total Assets</b>		<b>237</b>	<b>202</b>
<b>Current Liabilities</b>			
Creditors	2	630	576
Other Liabilities	3	74	37
Provisions	4	67	218
Borrowings	5	2,498	1,170
<b>Total Current Liabilities</b>		<b>3,269</b>	<b>2,001</b>
<b>Non-Current Liabilities</b>			
Borrowings	5	-	-
Other Liabilities		31	-
<b>Total Non-Current Liabilities</b>		<b>31</b>	<b>-</b>
<b>Total Liabilities</b>		<b>3,300</b>	<b>2,001</b>
<b>Net Assets</b>	<b>6</b>	<b>(3,063)</b>	<b>(1,799)</b>

*Source: Historical Financial Statements, Management Financial Reports*

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

1. Other Current Assets comprise a bond receivable of \$50,000, which has reduced from \$100,000 during FY2023 and was previously classified as a Non-Current Asset.
2. Creditors is primarily comprised of legal fees, corporate advice and accounting fees.
3. Other Liabilities comprise wholly of Lease Liabilities of Pulse Markets in FY2022 and FY2023.
4. Provisions comprise employee entitlements (annual leave) and a provision for legal expenses.
5. Current borrowings of BIR are primarily owed to Wagering Technologies Pty Limited and AMRAM Corp Pty Limited, entities owned by Mr Thomas Murmylo (former Chairman) and Mr Elliss (current Director) respectively. The decrease in borrowings in FY2023 from FY2022 is due to a convertible note issued to Wagering (an entity wholly owned by Mr Thomas Murmylo, the former Chairman of BIR) converting from debt to equity, with BIR issuing new shares in the Company. All borrowings are classified as Current.
6. BIR has a net asset deficiency, or net liability, position as at the end of FY2022 and FY2023.

## 6. Profile of Investor Centre

### 6.1 Business Overview

Founded in 2003 by the current CEO Mr Jody Elliss (“Mr Elliss”), who is also a director of BIR, Investor Centre is a privately held Australian-based provider of proprietary market software and data solutions for corporate and retail investor clients trading ASX-listed securities. Investor Centre has historically had 2 revenue sources: Data Services Income and Education Income.

#### *Data Services Income*

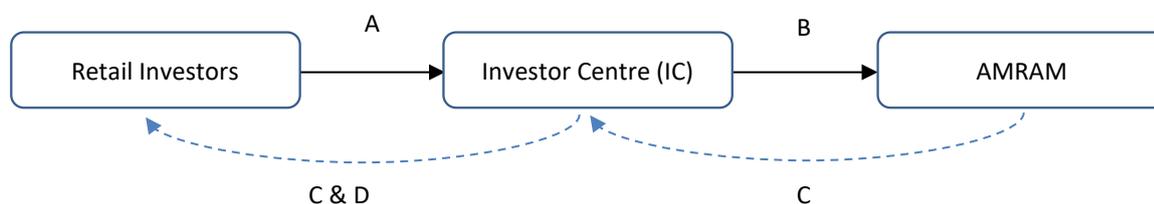
The Data Services business is a legacy offering that is not actively marketed by Investor Centre management. Retail investors pay a subscription fee to Investor Centre for access to ASX daily trading data, showing all trades executed in the market with the parties’ names anonymised. Along with this subscription, clients of Investor Centre also receive access to the ‘Ellis Big Money Indicator’ (“EBMI”), a market indicator developed by Mr Elliss which attempts to identify relevant institutional investor trading activity on the ASX. To generate capital returns, Investor Centre clients may execute trades in accordance with the EBMI in the same manner as other share price indicators more commonly used by typical traders such as moving averages.

#### *Education Income*

Education Income is also based on a subscription model. Retail investors subscribe to Investor Centre’s ‘Trading Tigers’ platform, where clients receive recommendations of 2-3 trades (on average) per month. The platform is charged as a subscription service at \$2,200 per annum. Management noted that Education Income for Investor Centre was significantly affected during and after the COVID-19 pandemic, as in-person trade shows were cancelled or unable to be held, which significantly impacted Investor Centre’s ability to market the ‘Trading Tigers’ program to prospective clients. In addition to attending trade shows, Investor Centre also holds training courses for its Trading Tigers program, costing attendees \$4,400. Management also noted a change in the business’ strategy of promoting an alternative service is expected to result in a reduction of Education Income in future, by way of the introduction of a new service and resultant income stream – Consulting Fee Income associated with funds management (as discussed below).

#### *Consulting Fee Income*

In addition to being a Director of BIR and sole Director of Investor Centre, Mr Elliss is also the Director of AMRAM Corp Pty Limited (“AMRAM”), a wholesale investment funds management company. As outlined above, Investor Centre is seeking to add a third revenue stream, which will form the main activity and source of income for the business. Under the proposed arrangement, Investor Centre will generate consulting fees from AMRAM for services performed in introducing and managing clients for AMRAM. The below flow chart illustrates the arrangement and expected flow of funds between the relevant parties and how the proposed income will be earned by Investor Centre.



**A** – Retail investors provide funding to Investor Centre in the form of an unsecured loan. Investors are offered a potential capped return of up to 24% per annum on their investment for a fixed term.

**B** – Investor Centre records the funds received from investors as an Unsecured Loan in borrowings on its Balance Sheet. Simultaneously, Investor Centre on-lends the funds to AMRAM for investment purposes and records the

amount as a Loan Receivable from AMRAM on its balance sheet, with a net asset impact of nil on the Investor Centre balance sheet.

**C** – AMRAM invests the funds using the EBMI (Elliss Big Money Indicator) data, following large institutions on their ASX trading activity. At the end of the loan term, AMRAM returns the original investment and any returns generated back to Investor Centre, which in turn repays the investors their loan plus interest (being the investment returns) up to 24%.

**D** – Once the investors have been repaid up to their 24% per annum capped return, any remaining returns, ie above 24% per annum will be paid to Investor Centre up to a capped amount of 12%. This 12% is referred by Investor Centre management as its Consulting Fee, earned for acquiring the investors and passing the investment funds through to AMRAM, and for ongoing management and maintenance of the relationship with investors. In the event of any returns earned by AMRAM being above the total 36% paid to the investors as investment returns and Investor Centre as Consulting Fees, such funds are retained by AMRAM as a performance fee. We note that AMRAM is not a party to the Proposed Transaction.

As at the date of this Report, no signed documentation was available for review to demonstrate the change in business strategy to focus on the Consulting Fees income. Additionally it should be noted, that this pivot in business model has yet to result in Investor Centre recognising any income as Consulting Fees, however the Business has received investor funds and on-lent those monies to AMRAM as a loan (indicating the commencement of those operations). Refer to Section 6.6 for a further description of the loans on the balance sheet representing investor funds owed to investors, and a corresponding loan receivable asset from AMRAM.

Accordingly, the two observed sources of revenue for Investor Centre as at the date of this Report are Data Services Income and Education Income.

## 6.2 Ownership Structure

Investor Centre is 100% owned by its founder and CEO Mr Elliss. Mr Elliss is also a current Director of BIR.

## 6.3 Industry Overview

Investor Centre, through its Data Service Income and Education Income streams, provides trading information on ASX-listed entities and provides insight into share trading. The business operates in the financial services sector, specifically in the investment advice and financial information segment, given its core activities are in the provision and analysis of data for retail investors to support their investment and securities trading activities. The financial services sector generally has been under pressure in Australia due to increasing costs associated with new regulations, combined with poor consumer trust, which has reduced revenue for financial services and investment advisors while also reducing margins at the same time.

### *Future of Financial Advice*

Effectively mandatory from 1 July 2013 (voluntarily from 1 July 2012), the Federal government implemented the Future of Financial Advice (“**FOFA**”) reforms. These reforms were aimed at implementing a duty for financial advisers to act in the best interests of their clients, subject to a 'reasonable steps' qualification, and place the interests of their clients ahead of their own when providing personal advice to retail clients. The FOFA reforms occurred as a direct response to several cases of poor financial advice from industry professionals that led to significant losses for clients, in an attempt to ensure the industry’s professional integrity and transparency.

***Financial Services Royal Commission***

The Financial Services Royal Commission (“**FSRC**”) was formed to investigate and report on misconduct in the financial services sector that was established in December 2017. The FSRC found many significant issues in the financial services sector, including<sup>8</sup>:

- Fees being charged to customers where no services were provided;
- Poor financial advice was given to customers;
- General misconduct in credit and banking; and
- System and process failures causing financial harm to customers.

As a result of the FSRC, further significant regulatory pressures were placed on operators, resulting in a decrease in the number of operators including the large banks who have reduced or exited the financial advice sub-industry. The findings of the FSRC also resulted in a decline in consumer confidence of the industry.

***Outlook***

IBISWorld expects that the financial services and investment advice industry will continue to be subject to restructuring over the next 5 years with the number of financial advisers to decline as regulators continue to ensure the reliability of industry services. Over the longer term, IBISWorld expects that Australia’s ageing population, increasing superannuation balances and a forecasted rise in disposable incomes are projected to support demand for the industry’s services. Additionally, operators will benefit from the FOFA reforms and the additional regulations as a result of the FSRC increasing transparency and improving consumer confidence.<sup>9</sup>

[this section is intentionally left blank]

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<sup>8</sup> Source: ASIC Financial Services Royal Commission: Summary of ASIC enforcement action

<sup>9</sup> IBSIWorld K6419B Financial Planning and Investment Advice in Australia

#### 6.4 Historical Financial Performance

The financial performance of Investor Centre for the two most recent financial years being FY2021 and FY2022 per the unaudited financial statements, and 9-month period to 31 March 2023 (“YTD2023”) per management reports are summarised in the table below.

Investor Centre Pty Limited Historical Operating Results							
\$'000s	Notes	FY2021		FY2022		YTD2023	
		Actual	%	Actual	%	Actual	%
Revenue	1	246		203		121	
Cost of Sales	2	57	23.2%	88	43.3%	68	56.2%
<b>Gross Profit</b>		<b>189</b>	<b>76.8%</b>	<b>115</b>	<b>56.7%</b>	<b>53</b>	<b>43.8%</b>
Other Income	3	84	34.1%	1	0.5%	114	94.2%
Bad Debt Expense		-	-	4	2.0%	-	-
General & Other		24	9.8%	20	9.9%	11	9.1%
Occupancy Costs		34	13.8%	23	11.3%	19	15.7%
Professional fees		6	2.4%	3	1.5%	1	0.8%
Salaries & Wages	4	144	58.5%	104	51.2%	67	55.4%
<b>Total Expenses</b>		<b>208</b>	<b>84.6%</b>	<b>154</b>	<b>75.9%</b>	<b>98</b>	<b>81.0%</b>
<b>Reported EBITDA</b>		<b>65</b>	<b>26.4%</b>	<b>(38)</b>	<b>(18.7%)</b>	<b>69</b>	<b>57.0%</b>
Depreciation	5	15	6.1%	2	1.0%	-	-
<b>Reported EBIT</b>		<b>50</b>	<b>20.3%</b>	<b>(40)</b>	<b>(19.7%)</b>	<b>69</b>	<b>57.0%</b>
Interest expense		4	1.6%	4	2.0%	3	2.5%
<b>Reported NPBT</b>		<b>46</b>	<b>18.7%</b>	<b>(44)</b>	<b>(21.7%)</b>	<b>66</b>	<b>54.5%</b>

*Source: Historical Financial Statements and Management Reports*

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

1. Revenue is generated through 2 streams: data service income and education income. Refer to Section 6.1 for further discussion on these streams. Data Service Income has been relatively consistent on an annual over the periods observed ; however Education Income has declined over the observed period. As a direct result of the acceleration of digital attendance at events due to the COVID-19 pandemic, there has been a reduction in attendance at physical events, which impacted the number of new clients signing up to the Investor Centre education programs following attendance at an Investor Centre event. Management consider this stream will continue to decline in future years.
2. Gross profit and gross profit margin has deteriorated over the period. As Education Income declined, the impact directly resulted in reduced Gross Profit of the Business. In addition, the Business has relied heavily on consultants to provide management with insight into market directions, which has increased the costs associated with delivering revenue and negatively impacted both the margin and the gross profit value.
3. Other income in FY2021 is nearly entirely comprised of JobKeeper payments. Other income recognised in YTD2023 represents incorrectly recorded amounts received by Investor Centre from a related party, AMRAM. Refer to Section 6.1 for further information on the relationship between Investor Centre and AMRAM. The misidentified payments relate to a loan being repaid by AMRAM to Investor Centre, however the payments have been incorrectly recorded as income. We have adjusted the incorrect revenue in Section 6.5 below.
4. Salaries and wages have declined period on period, due to management’s reduction in staff requirements for the business that was implemented over the COVID-19 period.

- The depreciation expense of the Business has reduced to nil over the period, due to the assets having been fully depreciated with no replacement or additional fixed assets being acquired during the period. As a result, there are no fixed assets on the balance sheet.

## 6.5 Normalised Financial Performance

Consistent with the historical financial information summarised in Section 6.4 above, we have applied adjustments to actual results in FY2021, FY2022 and YTD2023 following discussions with Investor Centre management. Our adjustments remove the impact of one-off and non-operational factors to normalise earnings of Investor Centre.

Investor Centre Pty Limited							
Normalisations							
\$'000s	Notes	FY2021		FY2022		YTD2023	
		Actual	%	Actual	%	Actual	%
<b>Reported EBITDA</b>		<b>65</b>	<b>26.4%</b>	<b>(38)</b>	<b>(18.7%)</b>	<b>69</b>	<b>57.0%</b>
<b>Normalisation Adjustments</b>							
JobKeeper Payments	1	-	-	-	-	-	-
Miscellaneous Income	2	-	-	-	-	(114)	-
<b>Total Adjustments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(114)</b>	<b>(94.2%)</b>
<b>Normalised EBITDA</b>		<b>65</b>	<b>26.4%</b>	<b>(38)</b>	<b>(18.7%)</b>	<b>(45)</b>	<b>(37.2%)</b>

*Source: Management Information, Titan Partners Corporate Finance Analysis*

Specifically, our normalisation adjustments are in respect of:

- Investor Centre received funding from the Australian government as a result of support measures arising from the COVID-19 pandemic. While we consider the payment are a non-recurring income item, we have not normalised the amounts received as the funding offsets some of the loss in revenue experienced by the business upon the onset of COVID-19. Specifically, the support relates to Education Income that was impacted due to restrictions on events and a generally lower attendance rates during and following the outbreak of COVID-10 at events, where Investor Centre normally acquired customers for its education programs. Normalising the government support while not adjusting for the revenue or cost savings it would otherwise have implemented would present an inaccurate view of the underlying performance of the Business.
- As discussed above in Section 6.4, the amounts recorded as Other Income are repayments of a loan between Investor Centre and ARMAM which have been misclassified as income. As such, we have normalised the amount to accurately reflect the true nature of the payments.

## 6.6 Financial Position

The financial position of Investor Centre as at the end of FY2022 and YTD2023 is summarised below.

Investor Centre Pty Limited					
Historic Balance Sheet					
\$'000s	Notes	FY2022 Actual	YTD2023 Actual	Adjustments	YTD2023 Pro Forma
<b>Current Assets</b>					
Cash	1	5	(24)	-	(24)
Debtors		10	17	-	17
<b>Total Current Assets</b>		<b>15</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>
<b>Non-Current Assets</b>					
Loan Receivable	2	48	528	114	642
<b>Total Non-Current Assets</b>		<b>48</b>	<b>528</b>	<b>114</b>	<b>642</b>
<b>Total Assets</b>		<b>63</b>	<b>521</b>	<b>114</b>	<b>635</b>
<b>Current Liabilities</b>					
Creditors		12	21	-	21
Tax Payable		2	9	-	9
Employee Payable		2	4	-	4
<b>Total Current Liabilities</b>		<b>16</b>	<b>34</b>	<b>-</b>	<b>34</b>
<b>Non-Current Liabilities</b>					
Borrowings	2	148	522	114	636
<b>Total Non-Current Liabilities</b>		<b>148</b>	<b>522</b>	<b>114</b>	<b>636</b>
<b>Total Liabilities</b>		<b>164</b>	<b>556</b>	<b>114</b>	<b>670</b>
<b>Net Assets</b>	<b>3</b>	<b>(101)</b>	<b>(35)</b>	<b>-</b>	<b>(35)</b>

*Source: Historical Financial Statements, Management Financial Reports*

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

1. The Business has negative cash at bank at YTD2023, representing overdrawn accounts.
2. Loan receivable is with a related entity, AMRAM, which is owned by Mr Ellis. Mr Ellis is also the only shareholder of Investor Centre. Investor Centre received funds from retail investors and has loaned these funds to AMRAM on the basis that AMRAM would invest the money and generate returns. Refer to Section 6.1 for further information on the nature of the arrangement between Investor Centre and AMRAM. The adjustment applied to the loan receivable and borrowings represents a reclassification of amounts owed to Investor Centre by related parties that was being applied against borrowings. A summary of the loan receivable and borrowings is provided below, post-reclassification adjustment.

Investor Centre Pty Limited	
Loans and Borrowings Summary	
\$'000s	
<b>Loan Receivable</b>	
AMRAM	528
Mr Jody Elliss	45
Ms Trishella Gleitz <sup>10</sup>	69
<b>Total Loans Receivable</b>	<b>642</b>
<b>Borrowings</b>	
Customer Investments	488
Mr Jody Elliss <sup>11</sup>	148
<b>Total Borrowings</b>	<b>636</b>

3. As at the end of the previous financial year and latest available management balance sheet, Investor Centre has a negative net asset, or net liability, position.

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<sup>10</sup> Trishella Gleitz is the CEO of Investor Centre and the current interim CEO of Pulse. Ms Gleitz will become the full time CEO of Pulse upon completion of the acquisition of Investor Centre. Refer to the announcement released to the ASX on 8 March 2023.

<sup>11</sup> Loan payable to Mr Elliss through his fully owned company Investor Centre Racing.

## 7. Valuation Methodology

### 7.1 Overview

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

### 7.2 Asset Based Methods

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

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

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

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

### 7.3 Market Based Methods

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

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

#### 7.4 Discounted Cash Flow Method

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

#### 7.5 Selection of Methodologies

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

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

RG111 does not prescribe any of the above methodologies as the method that should be used in the independent expert report. An expert would consider the valuation theory and available information to decide on the most appropriate methodologies in valuing the entity or the asset based on an expert's skill, judgement and after considering the unique circumstances of the entity or asset being valued.

As such, we also consider the appropriateness of a capitalisation of revenue methodology, which is based on the application of revenue multiples to estimate future maintainable revenues of the entity. The approach is commonly adopted in technology-based business and those with early-stage operations where the business is yet to generate positive earnings or is capable of reliable cash flow forecasts.

Our selection of the valuation methodology is guided by RG111 and we have considered the following in selecting our valuation methodology to value an existing BIR share and the consideration offered:

- existing trading operations of BIR;
- existing trading operations of Investor Centre;
- the historical results and current performance levels including revenue and earnings for both companies;
- share price and volumes traded for BIR shares on the ASX;
- representations by management in terms of the current and future trading performance of the underlying assets held by BIR, and strategic direction of BIR;
- representations by management with respect to the current strategy and future operations of both companies;
- our understanding of the competitive position of BIR and Investor Centre in their respective industries; and
- access to publicly available valuation benchmarks, comparable company information and comparable company transactions.

As a publicly listed security on the ASX, one available methodology is a market-based valuation using the recent share price trading history of quoted shares.<sup>12</sup> We have considered this methodology is appropriate for determining the market value of the shares in BIR. As set out further in Section 8.3, we consider there is sufficient liquidity in the recent share trading history of BIR to rely on this methodology to determine the value of shares after considering the following factors:

<sup>12</sup> RG 111.69 states that an expert should consider "the quoted price for listed securities, where there is a liquid and active market".

- Over 51% of BIR shares on issues (as at the date of the announcement) were traded over the previous 12-month period. This meets RG111.86 that provides that a liquid and active market requires 25% to 50% of a company's securities to be traded on an annual basis;
- In the 6 months leading up to 6 March 2023, 18.4% of the shares on issue were traded. This almost meets the annual liquidity threshold stated in RG111.86 in only a 6-month period, and highlights the consistent trading in the shares of the Business;
- No shareholder, either directly or through associated entities, own 20% or more of the existing shares on issue.

Therefore, we consider the liquidity is sufficient for the Quoted Share Price approach of BIR shares to be a primary valuation methodology and definitive indicator of their value.

We consider that the use of a discounted cash flow methodology is not appropriate due to the lack of available reliable forecast cash flows beyond FY2023. We note that the Business generated \$51,000 in revenue for the three-months from 1 January 2023 to 31 March 2023 compared to total revenues of \$1.174 million in the six-months to 31 December 2022. As such, we consider there to be an inherent uncertainty in quantifying revenue generation looking forward and thus insufficient reasonable grounds to include forecasts in our Report herein in accordance with RG111.112.

While the capitalisation of future maintainable earnings methodology is a commonly utilised methodology, we do not consider the application of this methodology as appropriate as BIR has not generated positive earnings in any of the financial years examined in Section 5.4 on both a reported or normalised basis from which this method could be applied.

Where a business does not generate maintainable earnings, a revenue capitalisation approach can be used in its place. As noted above, this approach is typically used to value technology-based companies and those with early-stage operations. We do not consider the revenue capitalisation approach to be appropriate for BIR as:

- BIR is not a startup in early-stage operations, having been founded in 1996 and listed on the ASX in 2006;
- BIR, through its wholly owned subsidiary Pulse Markets, provides services which include execution of trades of equities and derivatives on the ASX and raising equity capital for client. It does not operate in the technology sector nor exhibit characteristics of a high-growth technology-based business; and
- Given the nature of its revenues with high variability in revenues generated under its existing service streams, and that BIR only generated \$51,000 in revenue in the three-months to 31 March 2023, its revenue streams are not considered to be maintainable.

Based on the above and the inability to apply some of the available methodologies, along with the Quoted Share Price approach, we have also adopted an Asset Based approach based on the value of net tangible assets to determine the value of BIR.

We consider the valuation methodologies relevant to the valuation of Investor Centre further in Section 9.2 below.

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**8. Value of BIR**

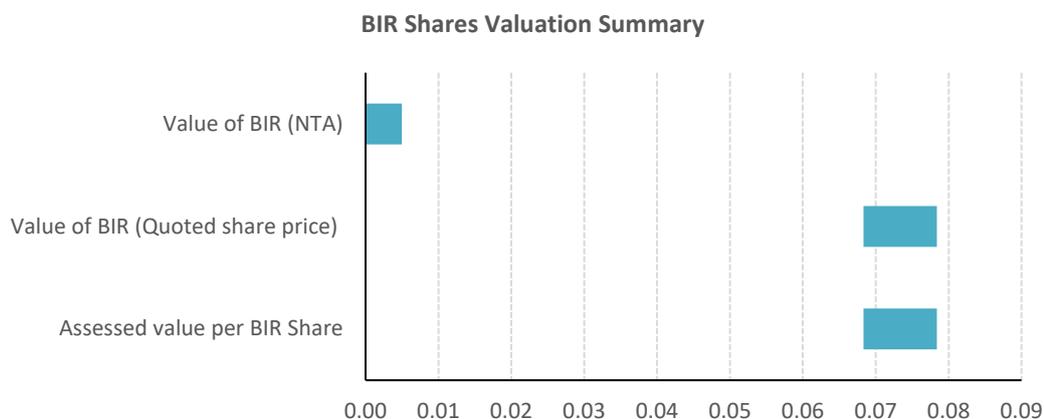
**8.1 Valuation Summary**

We have determined the market value of an ordinary share in BIR on a controlling interest basis to be 6.8 to 7.8 cents per share prior to the Proposed Transaction. In determining this range of value, we specifically relied upon the results of two methodologies, as detailed below.

In summary, we adopted an asset-based approach using Net Tangible Assets (“NTA”) and a market-based valuation using the quoted share price (“QSP”) methodology. The NTA method produced a nominal value, while the QSP concluded a low and high of 6.8 cents and 7.8 cents per BIR share on a controlling basis respectively. The low range value was derived based on the 1-month VWAP to the day before the announcement of the Proposed Transaction (7 March 2023), while the high range value was based on the more recently 1-month period to 30 May 2023.

BIR Financial Limited Equity Value Summary (Cents per share)		
Cents per share	Low	High
<b>Asset-Based Valuation – Net Tangible Assets – as at 31 March 2023</b>		
Value per Share on a Controlling Basis (cents per share)	NOMINAL	NOMINAL
<b>Market-Based Valuation – Quoted Share Price (QSP)</b>		
Value per BIR share on a Controlling Basis (cents per share)	4.4	5.8
<b>Assessed Value of BIR on a Controlling Basis (cents per share)</b>	<b>6.8</b>	<b>7.8</b>

Source: Titan Partners Corporate Finance Analysis



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

**8.2 Net Asset Valuation**

We have assessed the value of BIR shares on a controlling basis using an asset-based NTA methodology.

Based on our review and analysis of the nature of the assets and liabilities held by the Company and discussions with management, we applied adjustments to the reported management balance sheet as at 31 March 2023 as set out in Section 5.6 above. These adjustments were primarily related to the consolidation of the financial information for BIR as parent entity with its wholly owned subsidiary, Pulse Markets. As there are no intangible assets held on the balance sheet of the Company, the adjusted pro-forma net asset position represents the total NTA as well as the Net Assets of BIR. We then consider the total shares outstanding to calculate a value per share. However, as the NTA is in a net asset deficiency, being a negative or net liability position, the value of BIR shares under the BIR methodology is therefore nominal as shares by definition cannot be of negative value.

Our valuation assessment of BIR based on the NTA methodology is summarised in the following table.

<b>BIR Financial Limited</b>		
<b>Net Tangible Assets</b>		
	<b>Unit</b>	<b>31 March 2023</b>
Net Tangible Assets	\$'000s	(1,586)
Shares Outstanding	Shares	286,585,881
<b>Value per BIR Share – Controlling Basis</b>	<b>\$</b>	<b>NOMINAL</b>

*Source: Titan Partners Corporate Finance Analysis*

We have determined the value of BIR on a net realisable value of NTA basis as at 31 March 2023 is nominal per share. We note that this methodology ignores the impact of internally generated intangible assets which may result in a positive net asset position.

### 8.3 Quoted Share Price Valuation

As outlined in Section 7.5 above, another approach available to the value of BIR shares prior to the Proposed Transaction is the QSP methodology. We have reviewed the value of BIR shares on a minority basis using recent share price trading data and applied a control premium to derive the value of a BIR share on controlling basis. The market value of a company's shares as quoted on public exchange such as the ASX is reflective of a minority interest. Typically, a minority interest does not have significant control for the holder to have influence in the operations and value of that company. RG111.11 states that when considering the value of a company's shares for the purposes of a takeover bid, the expert should assume 100% ownership of the target and it is inappropriate to apply a discount for a minority or portfolio parcel of shares. Accordingly, a premium for control is expected to be paid by the purchaser of those shares due to advantages they will receive should they obtain control of the company. These advantages can include:

- Control over operational decision making and the strategic direction of the company;
- Ability to deal with the company assets as the purchaser sees fit;
- Access to underlying cash flows through control over dividend policies; and
- Potential access to accumulated tax losses.

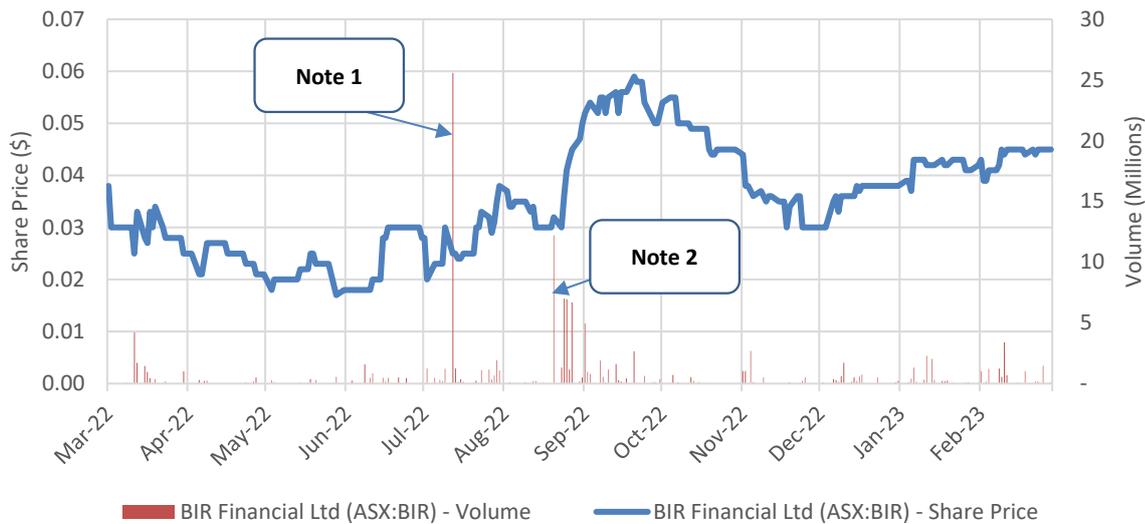
Whilst the Proposed Transaction is not a takeover bid for BIR, we are nonetheless required under RG111 to consider a control premium in preparing our opinion. Therefore, we have calculated the market price of a BIR share by including a premium for control. Specifically, we calculated the quoted market price on a minority interest basis based on share prices quoted on the ASX, then added a premium for control to calculate the market price value on a controlling basis.

#### **Quoted Share Price – Minority Interest Basis**

The determination of a market price of a listed share is typically based on the share price prior to the announcement of a transaction. The ASX announcement of the Proposed Transaction was released on 7 March 2023, hence our analysis is prepared as at 6 March 2023, being the last ASX trading day before the announcement.

To determine whether recent share price is an appropriate methodology to value BIR shares, we analysed the recent share trading history and specifically the liquidity in respect of the trading in those shares. Set out below is the trading performance of BIR shares for the twelve months to 6 March 2023. BIR shares are regularly traded on the ASX, with trades being recorded on 192 days during the 365-day period, which comprised approximately 260 days where the ASX was open for trading after the exclusion of weekends and public holidays. The following chart summarises the share price movements and volume traded over the year to 6 March 2023.

## BIR Share Price and Trading Volume History - 6 March 2023



The daily price of BIR shares over the 12-month period ranged from a low of \$0.017 in June 2022 to a high of \$0.059 in September 2022. During this period, a number of announcements were made to the market. A full list of all announcements since 1 July 2022 are set out at Appendix 5. We note the below with respect to the observed trading history:

- 1) There was significant trading in BIR shares on 18 July 2022 with over 25.6 million traded. We note the Company announced a response to an ASX Price Query on this date following a rise in the share price on the previous day. BIR shares had traded at \$0.023 for several days in a row before rising to \$0.030 on 15 July 2022, representing a 30% increase in one day despite no announcements from the Company. BIR shares then increased to \$0.036 (intraday high) on 18 July 2022 before ASX issued a formal query to BIR on the price movements. The share price closed on 18 July 2022 at \$0.030.
- 2) There was significant trading in BIR shares on 26 August 2022 with over 12.2 million traded. We note the Company provided a response to an ASX Price Query on this date following a rise in the share price on that day. BIR shares had traded at \$0.030 for several days in a row before increasing to \$0.044 on 26 August 2022, representing a 47% increase within one day despite no announcements from the Company. The share price closed on the day at \$0.032.

At the close of trading on 6 March 2023, being the last trading day of BIR shares on the ASX prior to the 4 March Announcement with respect to the Proposed Transaction, the BIR share price closed at \$0.045.

Given the observed movements in the BIR share price around the announcement of the Proposed Transaction, we calculated and assessed the volume weighted average price (“VWAP”) of the shares over a period of 1, 3, 6 and 12 months prior to the announcement date of 7 March 2023. The following tables summarises our VWAP calculations for each of these periods.

BIR Financial Limited						
Liquidity Analysis – 6 March 2023						
Period	Volume (Shares)	Volume (% of issue)	VWAP \$	Price (Low)	Price (High)	Days Traded
1 Month (7 Feb 2023 to 6 Mar 2023)	11,547,833	4.1%	0.044	0.039	0.045	19
3 Months (7 Dec 2022 to 6 Mar 2023)	26,518,717	9.4%	0.041	0.030	0.045	57
6 Months (7 Sep 2022 to 6 Mar 2023)	51,697,454	18.4%	0.046	0.030	0.059	109
12 Months (7 Mar 2022 to 6 Mar 2023)	144,736,586	51.5%	0.036	0.017	0.059	192

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

To rely upon the ASX listed share price as a primary methodology as an indication of market value, a ‘deep’ market in the shares is required. RG111.86 indicates that a ‘deep’ market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- 1) Regular trading in a company’s securities;
- 2) Approximately 25% to 50% of a company’s securities are traded on an annual basis;
- 3) There must be a sufficiently large spread of shareholders to enable the shares to trade on the stock exchange in an orderly manner; and
- 4) There are no significant but unexplained movements in share price.

In our opinion, the trading of BIR’s shares meets the above criteria of a ‘deep’ market, therefore we utilised this market-based valuation methodology as the basis for our valuation of BIR. Based on our analysis of the share trading history of BIR and with reference to the above characteristics, we note:

- 1) Regular trading occurs in BIR shares, which are traded on most ASX-trading days. For example, during the 1 month prior to the 7 Mar Announcement, shares were traded on 19 days, being the majority of the average of 22 business days in a typical month.
- 2) Approximately 51.5% of BIR shares on issue (up to the date of the announcement) have traded over a 12-month period and 18.4% of the Company’s current issued capital has been traded over a 6-month period. We note that this amount of trading in the shares of BIR meets the guidance of 25% to 50% on an annual basis;
- 3) As set out in Section 5.2, more than 92% shares on issue are held by the top 20 shareholders. While this may indicate a high concentration of shares held by a small number of shareholders, and potentially insufficient spread of shareholders, we note that no individual entity owns more than 20% of the current shares on issue. This has allowed the trading of BIR’s shares to occur in an orderly manner; and
- 4) Despite the Directors (and their related entities) of the Business holding approximately 38.8% of the total shares on issue, as noted previously a significant level of trading in BIR shares occurs on the ASX. This is due to the remaining 61.2% of shares held by over 920 entities and individuals,<sup>13</sup> which indicates there is a large spread of shareholders with active positions in the Company, thus facilitates trading of BIR shares on the stock exchange in an orderly manner.

Based on the analysis above and given the share price of BIR shares, we have determined the value of BIR shares, based on quoted share price approach, is \$0.044 (being the 1-month VWAP to 6 March 2023). This value, by definition, represents the value of shares on a minority basis. However, due to the protracted nature of the Proposed Transaction, we note that several months have passed since the 7 March 2023 Announcement. As such, we have also analysed more recent trading in BIR, being the 12 months to 30 May 2023.

BIR Financial Limited						
Liquidity Analysis – 30 May 2023						
Period	Volume (Shares)	Volume (% of issue)	VWAP \$	Price (Low)	Price (High)	Days Traded
1 Month (1 May 2023 to 30 May 2023)	6,620,001	2.3%	0.058	0.049	0.061	21
3 Months (1 Mar 2023 to 30 May 2023)	25,097,162	8.8%	0.051	0.044	0.061	50
6 Months (1 Dec 2022 to 30 May 2023)	49,592,079	17.3%	0.046	0.030	0.061	103
12 Months (30 May 2022 to 30 May 2023)	154,700,483	54.0%	0.039	0.017	0.061	208

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

<sup>13</sup> BIR Share Register as at 16 June 2023

**BIR Share Price and Trading Volume History - 30 May 2023**



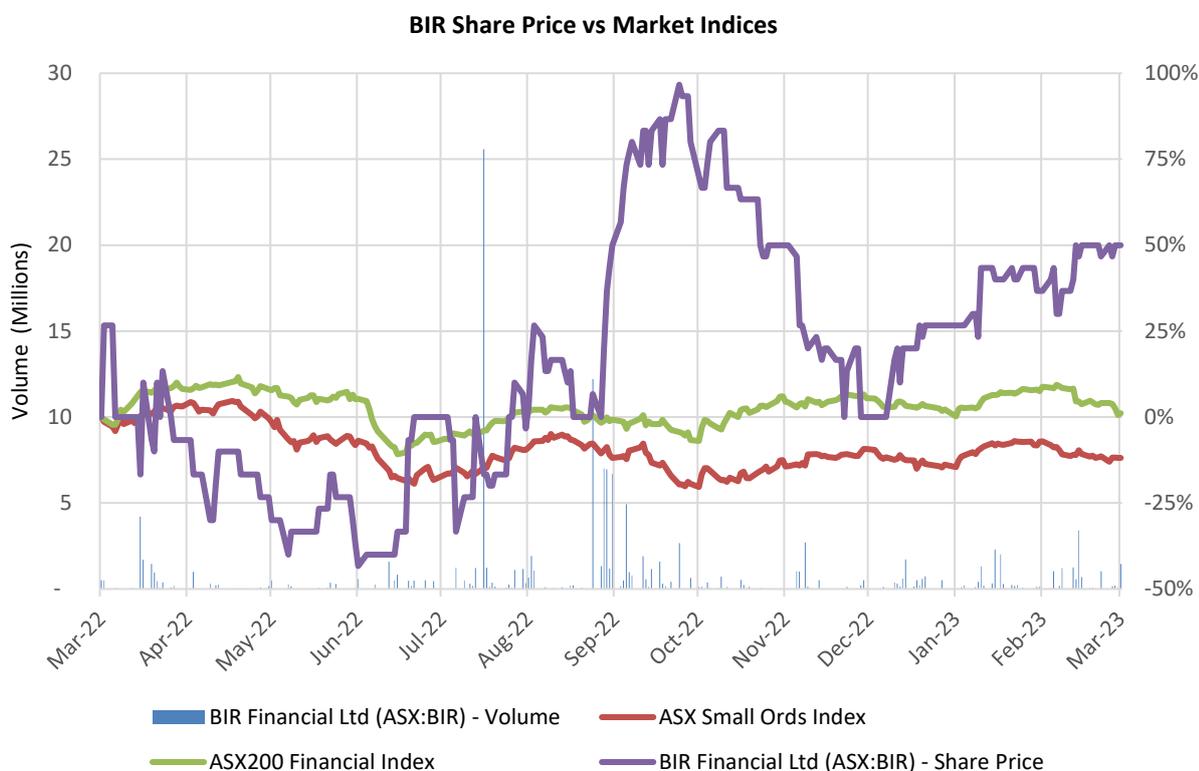
The daily price of BIR shares over the 12-month period to 30 May 2023 has ranged from a low of \$0.017 in June 2022 to a high of \$0.061 in May 2023. Since the announcement was made on 7 March 2023, where the share price closed on 3 March at \$0.045, the closing price of BIR shares has ranged from a low of \$0.044 in March 2023 to a high of \$0.061 in May 2023. We note the below with respect to the observed trading history:

1. There was significant trading in BIR shares on 7 March 2023 when the planned acquisition of Investor Centre was announced. Over 7.85 million shares traded on the announcement of the Proposed Transaction, well above the average for the preceding 12 months.

Given the upward trajectory of the BIR share price since the 7 Mar Announcement, 3 of the 4 calculated VWAP periods (1 month, 3 months and 12 months) result in a higher VWAP compared to the VWAP calculations pre-announcement, while the VWAP over the 6 month period remained the same. Due to the sustained recent increase in the BIR share price, and the extended timeframe of the Proposed Transaction, we have considered both the VWAP pre- and post-announcement of the Proposed Transaction as the low and high range of the value of BIR. Similar to the pre-announcement VWAP, we have adopted the 1-month VWAP (to 30 May 2023) as our high range valuation of BIR shares at \$0.058 per share. We note this value is comparable and slightly below the highest closing price for BIR shares for the 12 months prior to the 7 March Announcement Date of \$0.059 per share, thus supports our view that pre-announcement, the value of a BIR share would be at upper end of its recent price trading range.

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Below is the share price chart in comparison to the S&P ASX Small Ordinaries Index and S&P ASX 200 Financials Sector Index, being the indices we consider most relevant to BIR. As illustrated below, BIR's share price has outperformed both indices over the 12 months prior to the announcement of the Proposed Transaction.



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

### Control Premium

As discussed above, we are required under RG111 to assess the Proposed Transaction assuming 100% ownership of BIR. Accordingly, a premium for control must be applied, which reflects the additional value that attaches to a controlling interest in the Company over a minority or portfolio interest as represented by the share price.

The control premium varies from transaction to transaction and is subject to a number of factors, including:

- 1) Nature and magnitude of non-operating assets;
- 2) Nature and magnitude of business opportunities not currently being exploited;
- 3) Level of pre-announcement speculation of the transaction; and
- 4) Level of liquidity in the trade of the target's securities.

Controlling interests in companies are generally not traded on a public exchange, thus the most suitable estimate of control premiums are takeover premiums in transactions. Empirical evidence suggests typical control premiums in a transaction are between 25% and 40%, where "studies in Australia indicate an average premium of around 30% to 35%" and a transaction is "unlikely to succeed at premiums of under 20%"<sup>14</sup>. We note this is also supported by

<sup>14</sup> Lonergan W, "The Valuation of Businesses, Shares and Other Equity, 4th Edition, 2003". A study by RSM Bird Cameron (entitled "Control Premium Study 2021") based on 605 Australian transactions between FY2006 and FY2020 indicates average control premium of 29.2% over share price 5 days before announcement.

recent studies in to control premium summarised in the table below. The average annual control premium for transactions in Australia over the last 10 years (excluding 'COVID-19 years')<sup>15</sup> is between 25.5% and 39.5%.

Control Premium Study 2021			
Transactions in Australia by Year			
Financial Year	Number of Transactions	Average Control Premium	Median Control Premium
2012	52	39.5%	28.8%
2013	26	31.4%	14.0%
2014	37	36.1%	22.2%
2015	26	31.4%	31.4%
2016	29	28.3%	21.2%
2017	27	25.5%	27.3%
2018	31	35.9%	27.1%
2019	43	27.6%	28.2%
2020	30	50.7%	36.9%
6 months to 31 Dec 2020	11	48.0%	27.5%

*Source: Control Premium Study 2021 published by RSM*

In addition to the above, the study found that entities with smaller market capitalisations attract higher premiums, as detailed below.

Control Premium Study 2021			
Control Premiums on Transactions by Market Capitalisation			
Market Capitalisation	Number of Transactions	Average Control Premium	Median Control Premium
\$0 to \$25M	119	43.8%	40.6%
\$25 to \$50M	67	36.6%	37.1%
\$50 to \$100M	102	32.6%	32.6%
\$100 to \$500M	185	27.0%	26.1%
\$500M +	132	18.0%	17.2%

*Source: Control Premium Study 2021 published by RSM*

With respect to control premium to be paid for control of a financial services company, we have considered the following factors:

- 1) The market capitalization of BIR compared to the businesses in the above comparable transactions;
- 2) Major shareholders collectively owning more than 90% of the issued shares;
- 3) The current financial position of BIR, with a net liability balance sheet and negative working capital position;
- 4) The net cash outflow performance of the Business over the first 3 quarters of FY2023;
- 5) The current and historical financial performance of the Business, which generated a normalised loss in each of the years examined including YTD2023 and the expectation of generating future short term losses with limited cash resources without the Proposed and Associated Transaction;
- 6) Additional funding raised and will be available for BIR as part of the Associated Transaction, to support the growth and working capital requirements of the Company's existing operations in addition to funding the Proposed Transaction and other acquisitions; and
- 7) Current market uncertainty post the impact of the COVID-19 pandemic and tightening monetary policy as a result of increasing inflationary pressures across most key global economies.

Based on the above, we have assessed and adopted a control premium of 35% for BIR.

<sup>15</sup> We note that the average annual control premium in 2020 and the first half of 2021 experienced a significant spike in average control premiums. We take this to be an exception given the extraordinary monetary and fiscal stimulus injected into the economy, and not as a 'new normal' control premium.

**Valuation – Controlling Basis**

We applied the above control premium to our assessed value of BIR shares on a minority basis, to derive the value per share on a controlling basis as set out below.

BIR Financial Limited		
Valuation per Share (Controlling Basis) – Quoted Share Price Approach		
Cents per Share	Low	High
Value per Share on a Minority Basis	4.4	5.8
Control Premium	35%	25%
<b>Value per Share on a Controlling Basis</b>	<b>6.8</b>	<b>7.8</b>

*Source: Titan Partners Corporate Finance Analysis*

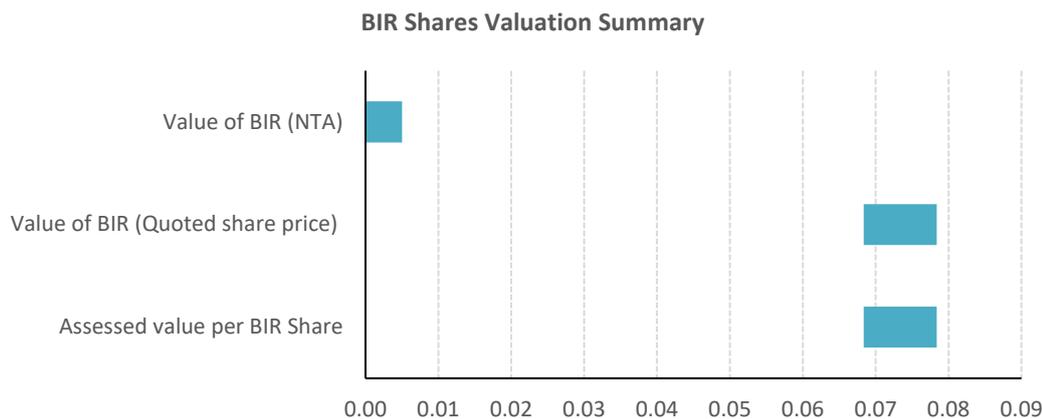
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#### 8.4 Assessed Valuation of BIR Shares

Based on our analysis set out in Section 8.2 and 8.3 above, we have assessed the value of BIR shares, on a controlling basis using a combination of both the NTA and QSP approaches. In forming our conclusion on the assessed valuation range for BIR shares, we have considered our findings set out above and in particular:

- 1) The share price of BIR has outperformed both the S&P ASX Small Ordinaries Index and S&P ASX 200 Financials Sector Index over the 12-month period to 6 March 2023 (the day before the announcement of the Proposed Transaction). The S&P ASX Small Ordinaries Index declined 8.6% and the S&P ASX 200 Financials Sector Index rose 4.7%, compared to an increase in the BIR share price of 18.4% over the period.
- 2) The share price of BIR has continued to outperform since the announcement of the Proposed Transaction on 7 March 2023 to 30 May 2023; the S&P ASX Small Ordinaries Index and the S&P ASX 200 Financials Sector Index declined 2.4% and 3.5% respectively, compared to an increase in the BIR share price of 35.6% over the period.
- 3) The calculation of NTA for the Company is based on book value of assets and liabilities per the most recent management balance sheet. It does not account for the value of any goodwill in the BIR or Pulse Markets business, or any internally generated intangible assets the Company may hold.
- 4) We note that BIR's NTA is nominal, compared with an assessed value on a controlling basis of 6.8 cents per share to 7.8 cents per share under the QSP market-based valuation.
- 5) Therefore, we have adopted the valuation range under the Quoted Share Price Valuation of 6.8 cents per share to 7.8 cents per share, as our assessed value of BIR shares for the purposes for the Proposed Transaction.

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



<b>BIR Financial Limited</b>		
<b>Assessed Value per Share (Controlling Basis)</b>		
Cents per Share	<b>Low</b>	<b>High</b>
Value per Share – Net Asset Method	NOMINAL	NOMINAL
Value per Share – Quoted Share Price	6.8	7.8
<b>Assessed Value per Share on a Controlling Basis</b>	<b>6.8</b>	<b>7.8</b>

*Source: Titan Partners Corporate Finance Analysis*

## 9. Value of BIR Post Proposed Transaction

### 9.1 Valuation Summary and Approach

Given the implications of the Proposed Transaction as outlined in Section 4.3, the value of BIR post the Proposed Transaction will comprise the:

- value of a BIR share prior to the Proposed Transaction as assessed in Section 8;
- value of Investor Centre (refer to Section 9.2 below);
- valuation impact of the Associated Transactions set out in Section 4.2.

### 9.2 Value of Investor Centre

To determine the value of Investor Centre, we have considered the valuation methodologies potentially available as set out in RG111.86, including:

- Capitalisation of maintainable earnings or cash flows
- Asset based methods including orderly realisation of assets
- Quoted price of listed securities
- Discounted cash flow
- Recent offers

As set out in the Financial Summary in Sections 6.4 and 6.5, the Investor Centre business has not generated earnings in FY2022 for the nine-months of YTD2023. Given a track record of stable earnings is not available in Investor Centre, the capitalisation of maintainable earnings approach cannot be utilised in a valuation of Investor Centre.

As a privately held business wholly owned by Mr Elliss, shares of Investor Centre are not listed and thus a quoted price is not available. Management of Investor Centre have also confirmed there are no recent or alternative offers for the Investor Centre business.

Asset based methods, as outlined in Section 7.2, include the assessment of the net assets or the orderly realisation of assets held by a business. As set out in Section 6.6 above, the balance sheet of Investor Centre is in a Net Liability position as at the end of both YTD2023 (being 31 March 2023) and FY2022. However, the current business of Investor Centre incorporates a number of intangible assets utilised in generating Data Services Income or Education Income (refer to Section 6.1) including the Investor Centre customer database, the 'Investor Centre' brand and EBMI analytical indicator. Such intangible assets do not satisfy the recognition criteria under Australian Accounting Standards and accordingly are not shown on the Investor Centre balance sheet. There is also no active market for such intangible assets, hence the value which may be obtained under an orderly realisation of such assets is unknown. Accordingly, the asset-based methodologies cannot be utilised in a valuation of Investor Centre.

With respect to the discounted cash flow approach, a key input is the future cash flows which are then discounted to present value. RG 111.112 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters, unless there are reasonable grounds for the forward-looking information. As set out in Section 6.1, Investor Centre proposes to pivot the business towards generating Consulting Income in future and away from the existing income streams of Data Services Income or Education Income.

Based on discussions with and information provided by Investor Centre management, formal documentation relating to the proposed arrangements with AMRAM or the clients to be referred by Investor Centre to AMRAM are not available, as the new operating model has yet to generate any Consulting Income. The timing and amount of inbound potential investment referrals and the associated Consulting Income generated by Investor Centre are also unknown and unable to be predicted with reasonable accuracy. Accordingly, there are insufficient reasonable grounds to develop reliable assumptions for calculating financial projections, or to assume that the proposed operating strategy to diversify the business from Data Services Income or Education Income will prevail or succeed. Therefore, due to the early stage of the proposed operating model of Investor Centre to generate Consulting Income and uncertainties relating to that

future income, we nor Investor Centre management have sufficient reasonable grounds to forecast the future cash flows associated with the Investor Centre business. As such, we are unable to apply the discounted cash flow methodology in a valuation of Investor Centre due to a lack of reliable financial projections.

As we do not have sufficient reasonable grounds to apply any of the commonly adopted valuation methodologies to value Investor Centre, we are unable to conclude on valuation range for the Investor Centre business. Accordingly, we are unable to determine the value of the consideration under the Proposed Transaction, being shares in BIR post the Proposed Transaction which incorporate the value of Investor Centre. Although we are unable to apply any of the methodologies to determine the value of Investor Centre, we note the business nonetheless holds certain intangible assets as noted above which are currently utilised to generate future income and profits and accordingly are likely to be of value.

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## 10. Evaluation of Proposed Transaction

### 10.1 Approach

We have adopted the guidelines set out in Regulatory Guides issued by ASIC including RG74 and RG111, which govern the content and use of experts' reports in corporate transactions.

The ASIC regulations require an independent expert to consider takeover proposals under the concepts of "fairness" and "reasonableness", in accordance with RG111.10. We therefore separately consider whether the Proposed Transaction is "fair" and "reasonable" from the perspective of the Shareholders.

### 10.2 Fair

RG111 considers that a transaction is fair if the value of the offer price or consideration received is equal to or greater than the value of the securities subject to the offer. The comparison should be undertaken assuming a knowledgeable, willing but not anxious buyer and knowledgeable, willing but not anxious seller, where both parties act on an arm's length basis.

In determining whether the Proposed Transaction is fair to the Existing Shareholders, we have considered the assessed fair value of a share in BIR on a controlling basis prior to the Proposed Transaction, to the value of consideration offered, being the value of a BIR share on a minority basis post the Proposed Transaction.

Our assessed value per BIR prior to Proposed Transaction is summarised in the table below and detailed in Section 8.

BIR Financial Limited Valuation Summary		
Cents per Share	Low	High
Assessed Value per BIR Shares prior to Proposed Transaction	6.8	7.8

*Source: Titan Partners Corporate Finance Analysis*

As outlined in Section 9, the value of a BIR share post the Proposed Transaction comprises the value of BIR prior to the Proposed Transaction and the valuation impact of the Proposed Transaction, being the acquisition of Investor Centre. RG111.107 requires that an expert's opinion should be based on reasonable grounds. As set out in Section 9.2, we do not have reasonable grounds to undertake a valuation based on the forecast performance or future cash flows which may be generated by the Target business. We were also unable to apply alternative valuation methodologies to value the Investor Centre business as set out in Section 9. Therefore, we are unable to attribute a value to Investor Centre in accordance with guidance under RG 111. Accordingly, we are unable to arrive at a conclusion on the value of a BIR share post the Proposed Transaction.

Based on the above, as we are unable to opine the value of the consideration (being the value of a BIR share post the Proposed Transaction) to assess against the value of BIR prior to the Proposed Transaction, by default, we consider the Proposed Transaction to be **not fair** for Shareholders

### 10.3 Reasonable

RG111 states that a transaction is also "reasonable" if it is "fair". It also states a transaction may be considered "reasonable" if not "fair", where an expert concludes there are sufficient reasons to proceed with a transaction in the absence of a higher offer.

While we have assessed the Proposed Transaction as "Not Fair" per Section 10.2 above, we are nonetheless able to conclude that it is "reasonable" under guidelines set out in RG111. In forming our opinion with respect to reasonableness, we reviewed the advantages and disadvantages of the Proposed Transaction below and consider that the advantages outweigh the disadvantages of the Proposed Transaction.

#### 10.4 Advantages

In accordance with RG111, we assess the qualitative aspects of the Proposed Transaction to identify the advantages and disadvantages to the Shareholders upon Completion.

##### *Diversification of services*

If completed, the Proposed Transaction will result in an expansion of the product and service offering of BIR. In addition to the trading and equity capital markets services currently provided by the Company, BIR will gain ownership of the existing Investor Centre technologies including proprietary analytical tools with an established customer base and an investor education program with associated materials which generates existing revenues. The Existing Shareholders will therefore own a business with additional sources of income, thus is an advantage of the Proposed Transaction. In addition, as the Investor Centre business is in a transition phase where it will derive ongoing income from its marketing activities for referral of clients to AMRAM and continuing customer management, BIR will share the benefit with vendors of Investor Centre on the future revenues and earnings expected to be generated under the new business model. The Company will have immediate access to the offerings and technical expertise of Investor Centre, including intellectual property related to the EBMI outlined in Section 6.1, without having to invest resources and time in development to achieve the same outcome.

##### *Expanded Customer Reach*

As stated in the 7 March Announcement, BIR management notes that the Investor Centre business holds an existing data base of more than 40,000 clients, which the Company expects “will significantly enhance the reach” of BIR’s existing Pulse Markets business. When completed, the Proposed Transaction will enable BIR to immediately expand the number of potential clients for future equity capital markets or capital raising activity led by Pulse Markets, to include the current client database of Investor Centre, subject to legal and regulatory requirements. The expanded reach could potentially increase future income for BIR, thus is an advantage of the Proposed Transaction.

##### *Transaction Funding Identified*

As set out in Section 4 above, the Proposed Transaction will encompass consideration comprising cash and newly issued shares in BIR. We note that the Notice of Extraordinary General Meeting outlines a capital raising will be undertaken by BIR as part of the Associated Transaction to raise between \$3.5 million to \$9 million by way of the issue of Redeemable Preference Shares, where part of the proceeds will be directed to fund the cash component of the acquisition of Investor Centre. As set out in the 7 March Announcement, a condition precedent of the Proposed Transaction is the Company is required to raise a minimum of \$3.5 million which is more than sufficient to fund the cash consideration component of the Proposed Transaction. Therefore, the Proposed Transaction is capable of being completed without utilising the existing balance sheet of the Company. Given part of the proceeds under the capital raising is to fund BIR’s acquisition of Investor Centre, the successful completion of that Redeemable Preference Shares under a Prospectus to be lodged with the ASX is indicative of the market’s support of the Proposed Transaction.

##### *Potential Synergies*

As set out in the in the Notice of Extraordinary General Meeting, a number of potential synergies have been identified for both the existing BIR and Investor Centre businesses. Due to similarities in their operating environment, management consider likely synergies to include information technology (IT) architecture and associated costs, regulatory compliance costs, marketing and promotions, accounting services and business administration. While the quantum of such potential synergies have yet to be fully quantified by BIR or Investor Centre, Management anticipates such synergistic benefits will have a material impact on future performance of the combined Business post the Proposed Transaction, particularly as the Company and the Target both operate in the financial services sector and are impacted by the same broad trends. The areas of synergies also improves the pathway for the combined business towards longer term profits than would otherwise be possible if both BIR and Investor Centre continued to operate separately. The impact of potential synergies is an advantage of the Proposed Transaction.

***Increase in Size and Scale***

If Existing Shareholders approve the Proposed Transaction, the effective result is a merger between the Company and the Target, whereby Existing Shareholders of BIR and vendors of Investor Centre will collectively own the combined business, providing an enlarged portfolio of financial product and service offerings, with a larger combined customer base which will provide opportunities to cross-sell such offerings to a broader target market than currently possible by BIR or Investor Centre operating separately. The impact of increase in size and scale is an advantage of the Proposed Transaction.

***Existing Shareholders Retain Control***

As set out in Section 4.1, the Company proposes to issue new shares in BIR as partial consideration to acquire the Target. Inclusive of share issues arising from the Proposed Transaction set out in Section 4.3, the Existing Shareholders (excluding the Elliss Associates) will collectively hold 82.9% of the issued capital of BIR after the Proposed Transaction, and accordingly will collectively retain a controlling interest in the Business. As such, Existing Shareholders will receive the advantages listed herein as part of the Proposed Transaction, without forfeiting control of BIR.

***Share Price Impact***

The BIR share price has increased from \$0.045 as at the close of trading on 3 March 2023, being the ASX trading day prior to announcement of the Proposed Transaction to \$0.061 on 30 May 2023 and a VWAP of \$0.058 for the 1-month to 30 May 2023. Market participants appear to have reacted positively to the Proposed Transaction (and the Associated Transactions) and the new strategic direction for the enlarged BIR, resulting in a recent share price increase of 33% based on a 1-month VWAP. As such, There is a risk that the BIR share price may fall if the Proposed Transaction does not proceed.

***No alternative offers***

At the date of this Report, there are no alternative offers received from other parties with respect to BIR. Accordingly, the Proposed Transaction offers an opportunity to shareholders that is otherwise unavailable.

**10.5 Disadvantages*****Dilution of Existing Interests***

If the Proposed Transaction is approved, the interests of Existing Shareholders will be diluted. Inclusive of new shares issued under the Associated Transactions, Existing Shareholders (excluding the Elliss Associates) will collectively hold 82.9% of the issued shares of the Company after the issue of shares to Investor Centre vendors as set out in Section 4.3 above, compared to 86.1% of BIR currently. However, Existing Shareholders will own an enlarged business with a broader product and service offering and potential synergistic benefits to both of the currently separate businesses of BIR and Investor Centre as discussed above.

***Deters alternative offers***

Announcement and approval of the Proposed Transaction by the Company may prevent alternative offers or proposals from being lodged by other parties. There is always the possibility that a higher offer will be submitted for the shares in BIR, creating a larger return for the Existing Shareholders. In our opinion this is unlikely, given that BIR is not actively seeking offers, the directors have not advised that there are any other bidders currently seeking to make a counter-offer and discussions to date between the Company and Investor Centre have been collaborative.

***Proposed Transaction may proceed regardless***

The Proposed Transaction may proceed even if you choose to vote against it. As a resolution to be voted on at a general meeting of Existing Shareholders, the Proposed Transaction will take place in accordance with the agreed terms where

all the requisite conditions and approvals have been received, including approvals by the respective boards and the required number of voting BIR shares. For the Proposed Transaction to be approved, the resolution must be passed at meetings of shareholders by a simple majority of 50% of the votes cast, being an ordinary resolution.

#### 10.6 Conclusion

After considering the qualitative and quantitative factors of the Proposed Transaction, Titan Partners Corporate Finance conclude that: based on our assessment of the factors outlined above, in our opinion, the Proposed Transaction are considered to be **not fair but reasonable**.

The decision of any individual shareholder to accept or reject the Proposed Transaction are subject to and influenced by his or her individual circumstances. Titan Partners Corporate Finance strongly advises Shareholders to consult their independent advisors if in doubt.

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### Financial Services Guide

Titan Partners Corporate Finance Pty Limited ABN 38 177 095 636 (“**Titan Partners Corporate Finance**”, “**we**”, “**us**”) has been engaged to prepare general financial product advice in the form of an Independent Expert’s Report to be provided to you.

In this circumstance we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to assist retail clients to make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

The FSG herein contains information with regards to:

1. who Titan Partners Corporate Finance is and how we can be contacted;
2. services we authorised to provide under our Australian Financial Services Licence;
3. remuneration that we, our staff and any associates receive in connection with the general financial product advice provided; and
4. our complaints handling process and the avenues available to lodge a complaint.

### ***Titan Partners Corporate Finance***

Titan Partners Corporate Finance is the corporate finance arm of Titan Partners, which provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring, property and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert’s reports concerning mergers and acquisitions, takeovers and capital reconstructions.

Titan Partners Corporate Finance holds Australian Financial Services Licence Number 427275.

### ***Financial services we are licensed to provide***

The Australian Financial Services Licence we hold authorises us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities (including debentures, shares and bonds), derivatives and interests in managed investment schemes.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

### ***General Financial Product Advice***

In our Report, we provide general financial product advice. It was prepared without taking into account your personal objectives, financial circumstances or needs.

You should consider your own personal objectives, financial circumstances or needs in assessing the appropriateness of the general advice we provide and may wish to seek personal advice from the holder of an Australian Financial Services Licence.

### ***Fees, commissions and benefits we may receive***

We charge fees to provide reports, including the IER provided herein. These fees are negotiated and agreed with the entity which engages us to provide a report. Our fees are determined on either a fixed amount or charged on an hourly time cost basis. Titan Partners Corporate Finance are expected to receive a fee of approximately \$35,000 for the preparation of this Report. The fee is not affected by whether the Shareholders approve or reject the Proposed Transaction. Except for such fees, Titan Partners Corporate Finance nor any of its directors, officers or associates receive any commissions or further benefits in connection with the report provided.

All of our employees receive a salary. Our employees do not receive any commissions or benefits arising directly from services provided to our clients.

We do not pay commissions or provide any other benefits to any party for referring clients to us in connection with the services that we are licensed to provide.

### ***Complaints***

As the holder of an Australian Financial Services Licence, we are required to have a complaints handling system for persons to whom we provide financial product advice. All complaints must be in writing, addressed to Titan Partners Corporate Finance Pty Ltd, PO Box R415, Royal Exchange NSW 1225.

In the event we are unable to satisfactorily resolve your complaint within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Services Limited (“FOS”), an independent external complaints resolution service established to provide advice and assistance to consumer to assist in resolving complaints relating to the financial services industry. You will not be charged for using the FOS service.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

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**Qualifications and Responsibilities**

Titan Partners Corporate Finance Pty Limited is the corporate finance arm of Titan Partners, which provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring, property and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert's reports concerning mergers and acquisitions, takeovers and capital reconstructions.

Mr Brad Higgs, *B.Com, CA, F.Fin* is responsible for this Report. Mr Higgs has a significant number of years' experience in relevant business advisory and corporate finance matters.

Mr Higgs is acting as a Representative of Titan Partners Corporate Finance pursuant to its Australian Financial Services Licence (No. 427275) held under Part 7 of the *Corporations Act 2001* (Cth) to provide advice on the valuation of securities.

**Disclaimers**

This Report has been undertaken in accordance with the instructions from the Directors of BIR. In performing this assignment we have accepted all information as presented to us as being free of material misstatement. We have relied on information provided, as set out in Section 3.3. We have evaluated this information through analysis, enquiry and review as appropriate. We do not warrant that our evaluation has identified or verified all of the matters that an audit, extensive examination or due diligence investigation may disclose.

The purpose of this Report, as set out in Section 3.1, is to opine on the Proposed Transaction, as required under *ASX Listing Rule 10*. We understand that the Directors of BIR wish to obtain an Independent Expert's Report to assist the Shareholders in their decision to accept or reject the Proposed Transaction with Investor Centre.

This report has been prepared solely to assist the Shareholders in considering their decisions with respect to the Proposed Transaction. We do not assume any responsibility or liability for any losses suffered by any party as a result of the circulation, publication, reproduction or other use of this report contrary to the provisions of this paragraph.

This Report has been prepared by Titan Partners Corporate Finance with care and diligence and that statements and opinions given by Titan Partners Corporate Finance in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Titan Partners Corporate Finance or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Titan Partners Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

**Declarations**

Our Report has been prepared in accordance with *Regulatory Guide 111 Content of Expert Reports* issued by ASIC, professional standard *APES 225 Valuation Services*, issued by the Accounting Professional and Ethical Standards Board ("**APESB**") and any other applicable professional standards and statutory requirements, including the *Corporations Act 2001*.

Titan Partners Corporate Finance nor its Representatives or staff have at the date of this Report nor has ever had any shareholding in or other relationship with BIR that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

Titan Partners Corporate Finance will receive a fee based on time costs for the preparation of this Report. This fee is not contingent on the outcome of the valuation report. Titan Partners Corporate Finance will receive no other benefit for the preparation of this Report.

BIR have agreed that to the extent permitted by law to indemnify Titan Partners Corporate Finance employees and officers in respect of any liability suffered or incurred as a result of or arising out of the preparation of this Report; including any claim arising from or in connection with its reliance on information or documentation provided by or on

behalf of BIR which is false, misleading or omits material information. This indemnity will not apply in respect of any conduct involving negligence or wilful misconduct or fraud. BIR have also agreed to indemnify Titan Partners Corporate Finance and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person except where Titan Partners Corporate Finance or its employees and officers are found liable for or guilty of conduct involving negligence or wilful misconduct or fraud in which case Titan Partners Corporate Finance shall bear such costs.

### ***Consents***

Titan Partners Corporate Finance consents to the inclusion of this Report in the form and context in which it is included in the Notice of Extraordinary General Meeting to be issued to Shareholders with respect to the Proposed Transaction. Other than this Report, none of Titan Partners Corporate Finance or its affiliates has been involved in the preparation of the Notice of Extraordinary General Meeting.

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## Appendix 3 – Glossary of Key Terms

Term	Definition
<b>Financial Periods</b>	
<b>FY2021, FY2022, FY2023</b>	Financial year ended 30 June 2021, 30 June 2022, 30 June 2023 respectively
<b>1H2023, Half Year Report</b>	Audited Interim financial information for 6-months ending ended 31 December 2022 for BIR
<b>YTD2023</b>	Unaudited Interim financial information for 9-months ending 31 March 2023 for Investor Centre
<b>Transaction Terms</b>	
<b>7 March Announcement</b>	BIR announcement to ASX on 7 March 2023, with respect to the Proposed Transaction between BIR and Investor Centre.
<b>AFCA</b>	Australian Financial Complaints Authority
<b>AFSL</b>	Australian Financial Services License
<b>AMRAM</b>	AMRAM Corp Pty Limited, ACN 621 800 931
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associated Transactions</b>	The planned capital raising to be undertaken via an issue of Redeemable Preference shares
<b>ASX</b>	Australian Securities Exchange Limited
<b>ATO</b>	Australian Taxation Office
<b>BIR, the “Company”</b>	BIR Financial Limited, ACN 987 654 321
<b>EBITDA</b>	Earnings before interest and tax, depreciation and amortisation
<b>ECM</b>	Equity capital markets
<b>EGM</b>	Extraordinary General Meeting
<b>FOFA</b>	Future of Financial Advice reforms
<b>FSG</b>	Financial Services Guide
<b>FSRC</b>	Financial Services Royal Commission
<b>Mr Elliss</b>	Mr Jody Elliss, a Director and Executive Chairman of BIR, and sole Director of Investor Centre
<b>Elliss Associates</b>	Entities controlled by Mr Elliss
<b>Existing Shareholders</b>	Current shareholders of BIR, prior to the Proposed Transaction
<b>Investor Centre, the “Target”</b>	Investor Centre Pty Limited, ACN 151 755 190
<b>IPO</b>	Initial public offering of a company’s shares to the ASX
<b>Moshav</b>	Moshav Custodians Pty Limited, ACN 622 162 994
<b>Mr Murmylo</b>	Tomasz Murmylo, former Chairman of BIR
<b>NPAT</b>	Net Profit After Tax
<b>NTA</b>	Net tangible assets
<b>Pulse, Pulse Markets</b>	Pulse Markets Pty Limited, ACN 081 505 268, a wholly owned subsidiary of BIR
<b>Proposed Transaction</b>	Proposed acquisition 100% of the shares in Investor Centre by BIR

Term	Definition
<b>Placement</b>	Proposed issue of Preference Shares to raise a minimum of \$3,500,000 as part of the Proposed Transaction
<b>QSP</b>	Quoted share price, a market-based valuation methodology
<b>ROU Asset</b>	Right-of-Use Asset, the recognition of a lease asset on the balance sheet in accordance with Accounting Standards
<b>the “Report”</b>	This Independent Expert’s Report on the Proposed Transaction
<b>Titan Partners Corporate Finance, “we”</b>	Titan Partners Corporate Finance Pty Limited, AFSL: 427275.
<b>VWAP</b>	Volume Weighted Average Price of listed securities
<b>Wagering</b>	Wagering Technologies Pty Limited, ACN 654 456 523, and entity controlled by Mr Murmylo.

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**Appendix 4 – Sources of Information**

The information set out below was considered, adopted and relied upon by us in forming our opinion and preparing the report herein:

- Audited Financial Statements of BIR for the years ended 30 June 2021 (“FY2021”), 30 June 2022 (“FY2022”) and 30 June 2023 (“FY2023”);
- Unaudited management reports of BIR and Pulse Markets for FY2023;
- Unaudited Financial Statements of Investor Centre for FY2021 and FY2022;
- Unaudited management accounts of Investor Centre for 9-month to 31 March 2023 (“YTD2023”);
- ASX announcements of BIR on 7 March 2023 in respect of the Proposed Transaction;
- Other ASX announcements issued by BIR;
- Management information with respect to the operations of BIR;
- Management information with respect to the operations of Investor Centre;
- Share register of BIR as at 14 August 2023;
- Corporate transaction data and other market data as sourced from S&P Capital IQ;
- Industry Research Reports published by IBISWorld Australia;
- RSM Australia Control Premium Study 2021;
- Draft Notice of Extraordinary General Meeting with respect to a meeting of BIR shareholders with details of the Proposed Transaction and Associated Transactions provided by the management of BIR, to which this Report accompanies.
- Discussions with directors, management and advisors of BIR, including Mr Jody Ellis in his capacity as Director and Executive Chairman of BIR, Mr Greg Starr of Tearum Corporate Services as advisor to BIR, Mr Thomas Murmylo of Business Tax and Money House as advisor to BIR and as Director of BIR and Ms Trishella Gleitz as interim CEO of Pulse Markets.
- Discussions with directors and management and advisors of Investor Centre, including Mr Jody Ellis in his capacity as sole Director of Investor Centre, and Ms Trishella Gleitz as Chief Executive Officer.

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## Appendix 5 – Recent ASX Announcements

### BIR Financial Limited

#### Key Company Announcements for the period 1 July 2022 to 31 August 2023

Announcement Date	Title
31-Aug-23	Appendix 4G
31-Aug-23	Appendix 4E and Full Year Financial Statements
22-Aug-23	Response to ASX Appendix 3Y Query Letter
17-Aug-23	Appendix 3Y - late lodgement notice
11-Aug-23	Application for quotation of securities - BIR
9-Aug-23	Response to ASX Appendix 3Y Query Letter
4-Aug-23	Section 708A Cleansing Notice
4-Aug-23	Placement of Share to Suppliers
4-Aug-23	Proposed issue of securities - BIR
31-Jul-23	Quarterly Activities/Appendix 4C Cash Flow Report
27-Jul-23	Unsecured line of credit with director related entity
18-Jul-23	Update on Acquisition of CFP
7-Jul-23	Letter to Shareholders
7-Jul-23	Strategic Relationship Not to Proceed
4-Jul-23	Becoming a substantial holder
29-Jun-23	Amended Appendix 3Y
26-Jun-23	Amended Appendix 3Y
16-Jun-23	Change of Telephone Numbers
13-Jun-23	New Fintech Strategic relationship
02-Jun-23	Details of Company Address
02-Jun-23	Amended Appendix 3Y
18-May-23	Response to ASX Appendix 3Y Query
08-May-23	Notification regarding unquoted securities - BIR
04-May-23	Successful Completion of Entitlement Offer
28-Apr-23	Quarterly Activities/Appendix 4C Cash Flow Report
24-Apr-23	Application for quotation of securities - BIR
20-Apr-23	708A Cleansing Notice
20-Apr-23	Placement of Shares to Supplier
20-Apr-23	Proposed issue of securities - BIR
18-Apr-23	Response to Appendix 3X and Appendix 3Z Query
13-Apr-23	Update - Proposed issue of securities - BIR
13-Apr-23	Update - Proposed issue of securities - BIR
13-Apr-23	Extension of Non-Renounceable Entitlement Offer
05-Apr-23	Director Appointment/Resignation
04-Apr-23	Dispatch of Entitlement Offer Prospectus
28-Mar-23	Non-renounceable entitlement offer of options
28-Mar-23	Letter to Ineligible Shareholders
28-Mar-23	Proposed issue of securities - BIR
28-Mar-23	Non-renounceable entitlement offer of options
17-Mar-23	Director Appointment/Resignation
17-Mar-23	Initial Director's Interest Notice
17-Mar-23	Final Director's Interest Notice
10-Mar-23	Response to ASX Appendix 3Z Query
08-Mar-23	Appointment of New Pulse Markets CEO
07-Mar-23	Planned Acquisition of Investor Centre Pty Ltd
02-Mar-23	Response to ASX Appendix 3Y Query
28-Feb-23	Half Year Accounts
27-Feb-23	Response to ASX Appendix 4C Query
21-Feb-23	Board Changes
17-Feb-23	Additional New Partnership
15-Feb-23	Company Update

## BIR Financial Limited

### Key Company Announcements for the period 1 July 2022 to 31 August 2023

Announcement Date	Title
08-Feb-23	Appendix 3Y
31-Jan-23	Quarterly Activities/Appendix 4C Cash Flow Report
12-Jan-23	Company Update
22-Dec-22	Company Update
19-Dec-22	Supplementary Prospectus
16-Dec-22	Update to EGM to be held on 29 December 2022
06-Dec-22	Proposed issue of securities - BIR
06-Dec-22	Disclosure Document
25-Nov-22	Notice of Extraordinary General Meeting/Proxy Form
15-Nov-22	Application for quotation of securities - BIR
15-Nov-22	Initial Director's Interest Notice
14-Nov-22	Proposed issue of securities - BIR
14-Nov-22	Section 708A Cleansing Notice
11-Nov-22	Results of Meeting
11-Nov-22	Director Appointment/Resignation
10-Nov-22	AGM Update
31-Oct-22	Application for quotation of securities - BIR
31-Oct-22	Section 708A Cleansing Notice
28-Oct-22	Quarterly Activities/Appendix 4C Cash Flow Report
10-Oct-22	Notice of Annual General Meeting/Proxy Form
29-Sep-22	Response to Director's Interest Notice Query
21-Sep-22	Application for quotation of securities - BIR
20-Sep-22	s.708 Cleansing Notice
15-Sep-22	Appendix 4C Cash Flow Report - Jun 2022
15-Sep-22	Appendix 4C Cash Flow Report - Mar 2022
15-Sep-22	Response to ASX Query
06-Sep-22	Application for quotation of securities - BIR
06-Sep-22	Section 708A Cleansing Notice
31-Aug-22	Appendix 4G
31-Aug-22	Annual Report to shareholders
31-Aug-22	Preliminary Final Report
31-Aug-22	Final Director's Interest Notice
30-Aug-22	Initial Director's Interest Notice
30-Aug-22	Appointment of a Director
26-Aug-22	Response to ASX Price Query
12-Aug-22	Details of Company Address
11-Aug-22	Application for quotation of securities - BIR
11-Aug-22	Section 708A Cleansing Notice
01-Aug-22	Resignation of Director
29-Jul-22	Quarterly Activities/Appendix 4C Cash Flow Report
27-Jul-22	Application for quotation of securities - BIR
27-Jul-22	s.708A Cleansing Notice
18-Jul-22	Response to ASX Price Query

*Source: Australian Securities Exchange*