

19 June 2025

ADDENDUM TO THE SECOND REPORT TO CREDITORS

Dear Sir/Madam

**ACN 610165823 PTY LTD (ADMINISTRATORS APPOINTED)
(FORMERLY KNOWN AS "CALAN GROUP PTY LTD")
ACN 610 165 823 ("THE COMPANY")**

We, Jonathon Keenan and Peter Krejci, refer to our appointment as Joint and Several Administrators of the Company and our Second Creditors Report issued on 16 June 2025 ("Second Report").

This is an Addendum to the Second Report, provided ahead of the Second Creditors' Meeting, which has been convened to be held on **Tuesday, 24 June 2025 at 3:00pm AEST**. This Addendum should be read in conjunction with the contents of the Second Report. We will not restate information here, unless required.

AMENDED DOCA PROPOSAL

On 19 June 2025, the Director provided an amended Deed of Company Arrangement ("DOCA") proposal, which is attached.

The amended DOCA is an improved proposal for creditors, in that it requires the Deed Contributions to be paid quicker. The amendments are highlighted on the proposal, which we summarise below:

- ▲ The total Deed Contribution remains at \$400K, which the Director is required to pay as follows:
 - \$200K within 14 days of the DOCA execution; and
 - Balance of \$200K within 6 months of the DOCA execution.
- ▲ Requirement for the Deed Administrators to declare a dividend to priority (employee) creditors within 3 months of the DOCA execution.
- ▲ Roswald has confirmed that it will agree to the Deed Administrators' caveat over the Cremorne Property to have a priority ranking ahead of Roswald's caveat.
- ▲ A provision has been inserted to specify the procedure to vary or terminate the DOCA if there is a default or other failure.

Otherwise, the other DOCA proposal terms remain unchanged.

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Our observations on the amendments are:

- ▲ The amended DOCA proposal is projected to produce the same outcome for creditors, albeit, priority (employee) creditors are required to be paid sooner.
- ▲ The current estimates indicate that there should be sufficient funds available in the DOCA to discharge priority (employee) claims in full, with a partial return to participating unsecured creditors. We note that there are no minimum dividend requirements in the proposal, and therefore if priority creditor claims or costs of administering the DOCA were to increase unexpectedly and materially, this may reduce or eliminate a return to the participating unsecured creditors.
- ▲ We are advised by the Deed Proponent's lawyers that, in respect of the first Deed Contribution instalment of \$200K, this will be sourced from a third party and they have advised that the third party has the necessary financial capacity.
- ▲ If the Director fails to pay the first or second Deed Contribution instalments, this would represent a material contravention of the DOCA, and a meeting of creditors can be convened to consider a variation or termination of the DOCA.

FURTHER FINANCIAL INFORMATION

Since issuing our Second Report, the Director's lawyers have provided further information and documents regarding the Company's financial affairs, including:

- ▲ The financial support that Roswald was providing to the Company; and
- ▲ Certain documentation relating to the asserted Safe Harbour defence.

In respect of the financial support provided to the Company, we have been provided various emails and documents, and statements on behalf of the Director. We understand the Director's position to be:

- ▲ Roswald Pty Ltd ("Rosalwd") provided \$250K to the Company for working capital purposes on 28 March 2025.
- ▲ The Director appears to have been of the belief that those further funds of \$250K were sufficient for the continued trading of the Company for a 6-week period.
- ▲ The Director has advised that Roswald withdrew its financial support to the Company on 6 May 2025.

Based on our brief review of the new documentation received, we comment as follows:

- ▲ Roswald did loan \$250K to the Company on 28 March 2025 and those funds were used by the Company for working capital purposes; however, based on our investigations to date, those additional funds were insufficient to return the Company to a solvent position.
- ▲ The Administrators remain of the preliminary view, that the Company likely became insolvent on a cashflow basis on or around 1 March 2025, and remained insolvent thereafter. We refer creditors to the Second Report, which discusses the various quantitative and qualitative factors which are considered when determining solvency. This is a preliminary view and would need to be considered further by any liquidator appointed to the Company.
- ▲ In respect of the further Safe Harbour documentation provided, certain financial projections and analysis of operational and contractual issues have been provided. We have not had sufficient time to

review the totality of the further documentation nor seek meaningful advice given the constraints of time. Our initial views are that those documents do not change our analysis, that there may be potential deficiencies with the availability of a Safe Harbour defence to any insolvent trading claim. However, as discussed in the Second Report, if the Safe Harbour defence is proved to be valid for the entire period 12 April 2024 to 19 May 2025, then it would likely negate the value of any insolvent trading claim against the Director, which is reflected in the nil return projected in our pessimistic projections.

As such, our analysis in our Second Report regarding the potential insolvent trading and/or breach of duty claims against the Director remains unchanged.

SECOND CREDITORS MEETING

The second meeting of creditors will proceed on **Tuesday 24 June 2025 at 3:00pm AEST**, held at our offices with virtual meeting technology also made available should creditors wish to attend the meeting virtually. Proxies submitted will stand for this or any adjourned meeting, unless replaced. The meeting notices and forms are annexed to the Second Report.

We will discuss the amended DOCA proposal and further information provided at the forthcoming meeting and will invite comment from creditors and the Deed Proponent as to whether they would like us to conduct further investigations prior to a vote on the future of the Company and whether an adjournment of the second meeting is necessary. Any adjournment of the Second Creditors Meeting will delay this Administration and will cause additional professional costs to be incurred, which we estimate may be at least \$25K to \$35K, potentially eroding further value for creditors. However, the actual costs incurred may vary depending on the additional work required to conduct further investigations, engage with the parties, draft a supplementary second creditors report and then convene a resumed Second Creditors Meeting.

We confirm that the improved amended DOCA proposal and further information does not change our recommendation, nor does it materially alter our analysis and preliminary views formed. Therefore, it is our view that an adjournment of the Second Meeting is not justified in the circumstances. However, we invite creditors comments, prior to or at the forthcoming meeting.

ADMINISTRATORS' RECOMMENDATION

Our estimates indicate that the amended DOCA proposal is projected to provide for a more certain and improved return to priority and participating unsecured creditors, as compared to a Liquidation scenario where any return is uncertain and subject to litigation. **Therefore, we confirm that our recommendation is that creditors should accept the amended DOCA proposal.**

Should you have any queries, please contact Ms Katherine La or Ms Nicole Feng of this office on (02) 8263 2333.

Yours faithfully

ACN 610165823 PTY LTD (ADMINISTRATORS APPOINTED)



JONATHON KEENAN

Joint and Several Administrator

Encl.

Amended Deed of Company Arrangement Proposal – Return of company to Director

Date: 19 June 2025

Company	ACN 610165823 Pty Limited (Administrator Appointed) ACN 610 165 823
Deed Administrators	Jonathon Keenan and Peter Krejci
Administrators	Deed Administrators
Deed Proponent	Craig Ironside

This document is drafted under s444(A) of the *Corporations Act 2001* (Cth) (**Act**) and sets out the principal terms and conditions of the Amended Deed of Company Arrangement (**DOCA**) for the Company. For the record, the intention is that the DOCA will establish a Deed Fund for distribution to participating creditors of the Company.

The purpose of the DOCA is to provide creditors with a more certain and an improved return, as compared to a winding up of the Company.

The terms of this proposal:

- A. are not exhaustive;
- B. are subject to the parties signing a detailed and legally binding DOCA; and
- C. are not intended to be legally binding on the parties.

DOCA Terms and Conditions

Company Control

1.	Company control	Control of the Company will revert to the director of the Company upon execution of the DOCA with the intention that: <ul style="list-style-type: none">(a) it will cease trading permanently; and(b) after the effectuation of the DOCA, the company will, in due course, be de-registered.
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Deed Fund

2.	Composition	The Deed Fund will comprise of: <ul style="list-style-type: none">(a) the Company's cash at bank held by the Administrators at the end of the voluntary administration period;(b) all proceeds from Debtors (meaning all amounts owed to the Company, including but not limited to the current retentions held by clients) at the end of the voluntary administration period;
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		<p>(c) all realisable plant and equipment of the Company which is yet to be sold at the end of the voluntary administration period;</p> <p>(d) the Motor Vehicles and the 2014 Hyundai iLoad bearing Registration Number CB 27 RK referred to under clause 13;</p> <p>(e) all proceeds from GST recoveries that are available to the Company at the end of the voluntary administration period; and</p> <p>(f) cash contribution from the Deed Proponent in the sum of \$400,000 (Deed Fund Contribution) paid as follows:</p> <p>(i) \$200,000 within 14 days of execution of the DOCA; and</p> <p>(ii) \$200,000 within 6 months of execution of the DOCA noting that this payment will likely be paid from the settlement proceeds from the sale of Cremorne Property.</p>
3.	Distribution priority	<p>Subject to the statutory priority regime, the Deed Fund will be distributed by the Deed Administrators in accordance with the following order of priority:</p> <p>(a) to the Administrators and Deed Administrators for any amount which they are entitled to be paid under the DOCA (even though they may have ceased to be an Administrators or Deed Administrators), including all debts and liabilities incurred by them during the administration and deed administration of the Company; then</p> <p>(b) to the Employees of the Company (which does not include the Related Party Employee) in respect of their statutory entitlements, including any superannuation contributions and redundancy payments that accrued before appointment of the Voluntary Administrator; and then</p> <p>(c) to the unsecured creditors of the Company, on a pari passu basis.</p>
Deed Administrators		
4.	Powers under Corporations Regulations	<p>(a) The Deed Administrators will have all powers set out in paragraph 2 of Schedule 8A of the <i>Corporations Regulations 2001</i> (Cth) to the extent necessary to fulfil their responsibilities and exercise their powers under the DOCA.</p> <p>(b) In addition, the Deed Administrators will have all the powers of a voluntary administrator appointed under section 436A of the <i>Corporations Act 2001</i> (Cth), including the powers to:</p>

		<ul style="list-style-type: none"> (i) novate, assign, release or terminate a contract of the Company; and (ii) in their discretion, exercise the Company's rights under the <i>Building and Construction Industry Security of Payment Act 1999</i> (NSW), including but not limited to issuing any payment claim or lodging an adjudication application.
Director		
5.	Director's undertaking	<p>The Director undertakes during the DOCA to</p> <ul style="list-style-type: none"> (a) use his best endeavours to ensure that the Company remains solvent and compliant in terms of all reporting and regulatory requirements with the Commissioner of Taxation, Office of State Revenue New South Wales and any other federal or state authority; (b) provide all reasonable assistance to the Deed Administrators, at no cost to the Company, to assist with the collection of all debtors of the Company; (c) carry out and perform such operations, functions, powers and other matters as may be delegated to him by the Deed Administrators.
Creditors and Claims		
6.	Creditors	<p>Subject to the Act, the DOCA binds all parties (Creditors) with a debt or a claim against the Company, whether present or future, certain or contingent, due or to become due, liquidated or unliquidated or sounding only in damages, being debts or claims the circumstances giving rise to which occurred on or before the appointment date and would have been provable against the Company if it had gone into liquidation on that date provided they are not Excluded Creditors</p>
7.	Excluded Creditors	<p>Each of the following groups will be Excluded Creditors:</p> <ul style="list-style-type: none"> (a) National Australia Bank; and (b) Related Party Creditors; <p>Related Party Creditors are:</p> <ul style="list-style-type: none"> (c) Roswald Pty Limited; (d) Craig Alan Ironside; and (e) QVR Technologies Pty Limited
8.	Related Party Employees	<p>The Related Party Employee acknowledges that he will not be able to prove in the DOCA and that any rights which they have is otherwise deferred until following the effectuation of the DOCA.</p> <p>Related Party Employee is:</p> <ul style="list-style-type: none"> (a) Craig Alan Ironside

9.	Claims extinguished	If the Deed Administrators have paid to the Creditors their full entitlements under the DOCA, all claims of Creditors are extinguished. Creditors must accept their entitlements under the DOCA in full satisfaction and complete discharge of all debts or claims existing at the relevant date, being the date the Company entered into voluntary administration and must if called upon to do so, execute and deliver to the Company such forms of release of any such claim as the Deed Administrators may require.
10.	Creditors' meetings	The Deed Administrators may convene a meeting of creditors pursuant to section 445F of the Act at any time to consider whether the DOCA should be terminated, and the Company be wound up if in the Deed Administrators' opinion, acting reasonably, the DOCA cannot be given effect to in accordance with its terms.
11.	Employees	The Deed Administrators will declare a dividend to Employees, for their full entitlement, as soon as possible and in any event, within three months within the date of execution of the DOCA.
12.	Unsecured creditors	The Deed Administrators will endeavour to declare a dividend to participating creditors as soon as practicable.
Other Terms		
13.	Condition precedent	As a Condition precedent to effectuation of the DOCA, the Deed Proponent and each of the Related Party Creditors will execute a Deed of Forgiveness releasing the Company from their respective claims, in full, upon effectuation of the DOCA.
14.	Purchase and Assignment of Leases of Motor Vehicles	<p>(a) The Deed Proponent will take all reasonable steps to have the obligations of the Company in respect of motor vehicles:</p> <ul style="list-style-type: none"> (i) 2016 Volkswagen Amarok bearing Registration Number DFA 28S; (ii) 2021 LDV G10 bearing Registration Number EVC 30Y; (iii) 2023 Mitsubishi Triton bearing Registration Number YMH 35S; (iv) 2021 Ford Ranger bearing Registration Number EQO 60K; and (v) 2019 Mitsubishi Triton bearing Registration Number EJG 23S <p>(Motor Vehicles)</p> <p>assigned to the Deed Proponent, or to an entity nominated by him. Upon the assignment, the Company will cease to have any interest in the Motor Vehicles.</p> <p>(b) Once the above assignment has been effected, the Deed Proponent (or the relevant nominated entity) will:</p>

		<ul style="list-style-type: none"> (i) take possession and control of the vehicle and assume the financial obligations of the Company under the relevant leases owed to the leasing parties; and (ii) indemnify the Deed Administrators from any loss or damage arising out of or in connection with the assignment and operation of the Motor Vehicles. <p>(c) If for some reason the leasing parties (if applicable) refuses to assign any of the Motor Vehicles from the Company, then:</p> <ul style="list-style-type: none"> (i) the lease between the Company and the leasing party which relates to that specific vehicle will terminate and the leasing party shall be entitled to collect the vehicle; and (ii) to the extent that the leasing party has a shortfall against the Company, the leasing party may prove as a participating creditor under the DOCA. <p>(d) The Deed Proponent (or his nominated entity) wishes to acquire the 2014 Hyundai iLoad bearing Registration Number CB 27 RK from the Company and the purchase price of \$8,000 plus GST is to be paid into the Deed Fund.</p> <p>(e) Whilst the negotiations regarding the assignment of the Motor Vehicles and the sale of the 2014 Hyundai iLoad bearing Registration Number CB 27 RK are ongoing, QVR Technologies Pty Limited agrees to:</p> <ul style="list-style-type: none"> (i) pay the Company an ongoing licence fee for the use of the Motor Vehicles and the 2014 Hyundai iLoad bearing Registration Number CB 27 RK in the amount of \$2,000 plus GST per week plus all operating costs, which is to be paid into the Deed Fund; and (ii) indemnify the Deed Administrators from any loss or damage arising out of or in connection with the use of the Motor Vehicles, pending completion of the assignment or sale contemplated under this clause.
15.	Condition subsequent	<p>As a Condition subsequent to the entry into the DOCA, the Deed Proponent agrees to:</p> <ul style="list-style-type: none"> (a) provide the Deed Administrators with any information reasonably requested by him; (b) provide a written update of the recovery of Trade Debtors on a monthly basis; (c) provide a signed written undertaking confirming that: <ul style="list-style-type: none"> (i) he will take all reasonable and necessary steps to personally satisfy the Company's debt to the National Australia Bank within a reasonable time,

		<p>pursuant to the personal guarantee provided in support of the Company's Loan, if the guarantee is ultimately called upon by the National Australia Bank. Those steps may include selling the secured asset or refinancing the debt to National Australia Bank, which is currently subject of a mortgage in favour of the National Australia Bank as security under the guarantee;</p> <p>(ii) he will not assert any right of subrogation to the rights of the National Australia Bank in respect of any payments he makes in satisfaction of the Company's outstanding Loan;</p> <p>(iii) he will remain an "Excluded Creditor" and will not receive any distribution from the Deed Fund;</p> <p>(d) in order to secure the due and punctual payment of the Deed Fund Contributions and performance of the financial obligations set out at paragraph 2(f) above, charge in favour of the Deed Administrators all of his rights and title to and interest in the Cremorne Property (being the property situated at Unit 22, 29 – 35 Gerard Street, Cremorne), and agrees that the Deed Administrators may lodge a caveat in respect of the Deed Administrators' interest in the Cremorne Property and maintain that caveat until all of the Deed Fund Contributions, the financial obligations set out at paragraph 2(f)(i) and (ii), and any other monies owing by the Proponent to the Deed Administrators pursuant to the DOCA, have been satisfied and paid in full.</p> <p>(e) Roswald Pty Limited agrees to the Deed Administrator's caveat having priority of Roswald Pty Limited caveat.</p>
16.	Indemnity	The Administrators (and, as relevant, Deed Administrators) will be entitled to be indemnified out of, and will have a lien over the Deed Fund for their remuneration and expenses for work done in the performance of their duties as Administrators and/or Deed Administrators of the Company.
17.	Tax and reporting	During the period of the DOCA, the Company will comply with its ongoing statutory obligations in respect of monetary and reporting requirements with the Commissioner of Taxation, Office of State Revenue New South Wales and any other federal or state authority.
18.	Independent advice	The Deed Proponent acknowledges that he has obtained, or had a reasonable opportunity to obtain, independent tax and legal advice prior to making this proposal for a DOCA.
19.	Effectuation	On effectuation of the DOCA, all claims of participating creditors will be released, discharged and extinguished as against the Company and the director.

20. Termination of DOCA	<p>In the event that:</p> <ul style="list-style-type: none">(a) any of the payments under clause 2(f) have not been paid to the Deed Administrators to establish the Deed Fund within the stipulated timeframes, or such later date as approved by the Deed Administrators; or(b) the Deed Proponent and/or Company breaches any obligations or terms under the DOCA, and the Deed Proponent and/or Company fail to rectify the breach within 7 business days of the Deed Administrators issuing a notice to remedy the breach; or(c) the Deed Administrators acting reasonably determine that it is no longer practicable to implement the DOCA for any reason; <p>then:</p> <ul style="list-style-type: none">(d) the Deed Administrators will:<ul style="list-style-type: none">i. convene a meeting of creditors to vary or terminate the DOCA and in the event of creditors not agreeing to vary or terminate the DOCA; orii. alternatively, seek court orders to terminate or vary the DOCA.
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Executed by**Executed by Deed Proponent**



Signature of Craig Alan Ironside by his
Power of Attorney Stephen Alan Ironside

19/6/25

Date