Scalare Partners Holdings Limited

ABN 96 629 598 778

Bonus Options Prospectus

This Prospectus is being issued for a bonus offer to Eligible Shareholders of Eighty-seven Options (**Bonus Options**) for every one hundred Shares held on the Record Date (**Offer**). Fractions to be rounded up to the nearest whole Bonus Option. No funds will be raised as a result of the Offer.

A further offer to Bonus Option Participants of one (1) option (**Piggyback Options**) for every Bonus Option exercised on or before the Bonus Option Expiry Date (**Piggyback Offer**).

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

The Bonus Options and Piggyback Options offered in connection with this Prospectus should be considered as speculative in nature.

Important Information

This Prospectus is dated 17 August 2026 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Bonus Options or Piggyback Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options and Piggyback Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

As this is a bonus issue of Options, Shareholders are not required to apply for Bonus Options.

A copy of this Prospectus is available for inspection at the registered office of the Company at L17, International Tower 3, 300 Barangaroo Avenue Sydney NSW 2000 during normal business hours.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

The Company will not apply for Official Quotation by ASX of the Bonus Options or attaching Piggyback Options offered by this Prospectus.

International offer restrictions

The distribution of this Prospectus outside Australia is restricted by law and therefore persons into whose possession this document comes should observe any such restrictions, including those set forth below. Any failure to comply with these restrictions constitutes a violation of those laws.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Accordingly, the Offers are not being extended, and Bonus Options and attaching Piggyback options will not be issued, to applicants with a registered address which is outside Australia except to the extent permitted below.

No action has been taken to permit the offer of Bonus Options and attaching Piggyback Options under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Canada (Ontario and Alberta only), France, Hong Kong, India, Laos, Singapore, The United Kingdom, The United States and Vanuatu may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Bonus Options or attaching Piggyback Options in any jurisdiction where or to any person to whom, it would be unlawful to issue this Prospectus.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The Bonus Options and Piggyback Options attaching to such Bonus Options may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The Bonus Options and Piggyback Options attaching to such Bonus Options are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the Bonus Options is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.
This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

The Offers under this Prospectus are being made in Hong Kong in reliance on the less than 50 investors exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32).

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Prospectus you should seek independent professional advice.

United Kingdom

Neither this Prospectus nor any other document relating to the offer of Bonus Options and attaching Piggyback Options has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA) has been published or is intended to be published in respect of the Bonus Options and attaching Piggyback Options.

The Bonus Options and attaching Piggyback Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Bonus Options and attaching Piggyback Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO, or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

France

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, the Prospectus may not be available, nor may Bonus Options and attaching Piggyback Options be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (Prospectus Regulation).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Bonus Options and attaching Piggyback Options in each member state of the European Union is limited:

(a) to persons who are qualified investors (as defined in Article 2(e) of the Prospectus Regulation);
(b) to fewer than 150 natural or legal persons (other than qualified investors); or
(c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Canada

This Prospectus constitutes an offering of the Bonus Options and attaching Piggyback Options in the Canadian Provinces of Ontario and Alberta (**Provinces**) where existing shareholders of the Company are resident. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of securities in those Provinces. The number of shareholders entitled to receive the Offers is less than 10% of the total number of shareholders of the Company and the number of securities that will receive is less than 10% of securities of the class of securities.

Pursuant to Sections 2.1.2(1) of Part 2 of National Instrument 45-106 (Prospectus Exemptions) no securities commission or other authority in those Provinces has reviewed or in any way passed upon this Prospectus, the merits of the Bonus Options and attaching Piggyback Offers and any representation to the contrary is an offence.

No prospectus has been or will be filed in those Provinces with respect to the offering of Bonus Options and attaching Piggyback Options or the resale of such securities or the underlying ordinary shares. Any person in those Provinces lawfully participating in the Offers will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the Securities Regulator in the applicable Province.

Any resale of the Bonus Options or attaching Piggyback Options and the underlying shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resale to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgement obtained in Canadian courts against the Company or such persons outside Canada.

Singapore

This Prospectus and any other materials relating to the Bonus Options and attaching Piggyback Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Bonus Options and attaching Piggyback Options may not be issued, circulated or distributed, nor may the Bonus Options and attaching Piggyback Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (SFA) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing shareholder of the Company's shares. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus in Singapore.

Any offer is not made to you with a view to Bonus Options and attaching Piggyback Options or the underlying ordinary shares being subsequently offered for sale in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire such securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

The Bonus Options and attaching Piggyback Options and the underlying ordinary shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state of other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Offer is being made in the United States only to shareholders of the Company who are institutional accredited investors within the meaning of Rule 501(a) (1), (2), (3), (7), (8), (9) or (12) under the Securities Act. In order to participate in the Offers, a US shareholder must sign and return a US investor certificate which is available from the Company to confirm, amongst other things, that the US shareholder is an institutional accredited investor.

Vanuatu

The Offers under this Prospectus are only being made to persons in Vanuatu who are shareholders in the Company. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus in Vanuatu or offer the Bonus Options or attaching Piggyback Options for resale in Vanuatu.

Laos

The Offers under this Prospectus are only being made to less than 100 persons in Laos who are shareholders in the Company. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus in Laos or offer the Bonus Options or attaching Piggyback Options for resale in Laos.

India

The Offers under this Prospectus are only being made to less than 200 persons in India who are shareholders in the Company. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus in India or offer the Bonus Options or attaching Piggyback Options for resale in India.

Definitions

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Bonus Options and Piggyback Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.scalarepartners.com).

Corporate Directory

Issuer
Scalare Partners Holdings Limited
ABN 96 629 598 778
L17, International Tower 3
300 Barangaroo Avenue, Sydney NSW 2000

Website: www.scalarepartners.com
ASX Code: SCP

Directors

Adelle Howse – Non-Executive Chair
Neil Carter - Non-Executive Director
James Lougheed - Non-Executive Director
Giles Bourne - Executive Director
James Walker – Executive Director

Company Secretary
Yushra Haniff

Share Registry
Automic Registry Services
ABN 27 152 260 814
Level 5, 126 Phillip Street
Sydney NSW 2000
www.automic.com.au

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Indicative Timetable

Event	Date
Company formally announces Bonus Issue, Lodges Appendix 3B and Prospectus	17 August 2026
Ex Date for Bonus Issues	21 August 2026
Record Date for Bonus Issue	24 August 2026
Last Day for Company to Issue Bonus Options under Bonus Issue	31 August 2026
First Day to Exercise Bonus Options issued under Bonus Issue	5 February 2027
Last Day to Exercise Bonus Options issued under Bonus Issue	31 March 2027
Last Day to Exercise Piggyback Options	31 March 2028

Note
* These dates are indicative only and may change without prior notice.

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Letter from the Board

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Offer for Bonus Options and attaching Piggyback Options, which comes at a very exciting time in our business.

In undertaking this Bonus Offer we would like to thank our shareholders who have supported the Company through a very important series of transactions undertaken over the past year, which have led to the formation of the Scalare Partners business we are today.

Eligible Shareholders who hold Shares on the Record Date are offered eighty-seven (87) Bonus Options for every one hundred (100) Shares held on the Record Date (fractions rounded up to the nearest whole Bonus Option).

As this is a bonus issue of Options, Shareholders are not required to complete an application to receive the Bonus Options.

Bonus Options Participants are offered one (1) Piggyback Option for every one (1) Bonus Option which is exercised by them (Piggyback Offer) for nil additional consideration. The Piggyback Offer is optional in that it requires Bonus Offer Participants to exercise their Bonus Options. No funds will be raised from the Piggyback Offer.

The Bonus Options have a nil issue price, will be exercisable at $0.01 each, and can be exercised from 5 February 2027 and will expire on 31 March 2027. It is not intended to have the Bonus Options quoted on ASX.

The Bonus Options if exercised will result in the issue of one Share and one attaching Piggyback Option. The full terms and conditions of the Bonus Options and the Piggyback Options are set out in Sections 4.1 and 4.3 of this Prospectus.

The Directors each intend to exercise their Bonus Options and the Piggyback Options issued on exercise of their Bonus Options.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options and Piggyback Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

If you have any questions, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8.30am to 7.00pm (Sydney time), Monday to Friday or via email at corporate.actions@automicgroup.com.au. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Board, I look forward to your continued support and to updating you on the Company's progress.

Yours faithfully

Adelle Howse (Aug 17, 2026 11:54:39 GMT+10)

Adelle Howse
Non-Executive Chair

Investment Overview

This Section is intended to highlight key information for potential investors and shareholders. It is an overview only and is not intended to replace the Prospectus. Shareholders and investors should read the Prospectus in full.

Key Information	Further Information
Transaction specific prospectus This Prospectus is a transaction specific prospectus for an offer of Bonus Options and attaching Piggyback Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.	Section 4
Risk factors Potential investors and Shareholders should be aware that the grant of Bonus Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of: • **Exercise price of Bonus Options:** If Bonus Options are exercised, there is no guarantee that Shares issued on exercise of those Bonus Options will trade above the exercise price paid for those Shares. • **Dilution:** If you do not exercise the Bonus Options, because you allow those Bonus Options to expire without being exercised, and other investors exercise their Bonus Options, your shareholding will be diluted. • **Future Capital Requirements:** The Company may have difficulty in obtaining future equity or debt funding to support the ongoing business, including product development and manufacturing activities.	Section 3

Key Information	Further Information
Offer The Offer is being made as a bonus issue of eighty-seven (87) Bonus Options for every one hundred (100) Shares held by Shareholders registered at the Record Date, to be issue for nil consideration. Fractional Entitlements will be rounded up to the nearest whole number. A further offer to Bonus Option Participants of one (1) option (Piggyback Option) for every Bonus Option exercised on or before the Bonus Option Expiry Date (Piggyback Offer). Fractional Entitlements will be rounded up to the nearest whole number. No funds will be raised as a result of the Offer.	Section 1.1
Purposes of the Offers Following the recent shareholder approval of the Consolidation and issue of Convertible Notes these Bonus Options and attaching Piggyback Options are designed primarily as a mechanism to protect shareholder value for Eligible Shareholders from the impacts of dilution resulting from the conversion of Convertible Notes into Shares. As such it is important that Eligible Shareholders exercise their Options to maximise the protection against dilution. The Company will undertake measures to remind shareholders to exercise them. The Prospectus is also being issued to cleanse the issue of Shares upon exercise of either the Bonus Options or Piggyback Options.	
Eligible Shareholders The Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who: • are the registered holder of the Shares as at 7.00pm (AEST) on the Record Date of 24 August 2026; and • have a registered address in any of Australia, New Zealand, Canada (Ontario and Alberta only), France, Hong Kong, India, Laos, Singapore, The United Kingdom, The United States and Vanuatu.	Important Information Section 1.7
Bonus Option Participants The Piggyback Offer is made to Bonus Option Participants who are those holders of Bonus Options who exercise their Bonus Options on or before the Bonus Option Expiry Date.	Sections 1.3 and 1.7
Use of funds Nil funds will be raised as a result of the Offers. The Company will receive $0.01 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately $21,000. There is no certainty that any Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Bonus Options will be	Section 2.4

used towards continued development on the Company's existing business and for working capital. The Company will receive $0.02 for each Piggyback Option exercised. If all Piggyback Options are issued and exercised, the Company will receive approximately $42,000. There is no certainty that any Piggyback will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Piggyback Options will be used towards continued development on the Company's existing business and for working capital.	

Key Information	Further Information
Indicative capital structure and balance sheet	Sections 2.2 and 2.5.

The effect of the Bonus Offer on the Company's fully diluted share capital as at the date of this Prospectus is as shown in the following table.

	Shares	Options	Convertible Notes	Fully Diluted
Balance at the date of this Prospectus	2,440,369	314,698	500,000	3,255,067
Maximum to be issued pursuant to the Bonus Offer	-	2,123,122	-	2,123,122
Total on issue post Bonus Offer	**2,440,369**	**2,437,820**	**500,000**	**5,378,189**

The Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. The issue of the Bonus Options will have no effect on the Company's balance sheet.

Piggyback Offer

The effect of the Piggyback Offer on the Company's fully diluted share capital (assuming no Convertible Notes are converted and no securities are issued other than on exercise of the Bonus Options) is as shown in the following table.

	Shares	Options	Convertible Notes	Fully Diluted
Balance at the date of this Prospectus	2,440,369	314,698	500,000	3,255,067
Shares to be issued on exercise of 100% of Bonus Options	2,123,122	-	-	2,123,122

Maximum number of Piggyback Options to be exercised	-	2,123,122		2,123,122
Total on issue post Offer	**4,563,491**	**2,437,820**	**500,000**	**7,501,311**

The Piggyback Options to be issued pursuant to this Prospectus will be issued for no consideration. The issue of the Piggyback Options will be no effect on the Company's balance sheet.

Convertible Notes

Prior to the issue of this Prospectus, shareholders approved the issue of up to 15 million $1.00 Convertible Notes and 5 million $2.00 Convertible Notes. As at the date of this Prospectus only 500,000 Convertible Notes have been issued. A further 4,500,000 Convertible Notes are expected to be issued shortly. The impact of the exercise of the Convertible Notes on the fully diluted share capital of the Company in various scenarios is set out in Annexure A.

The impact on the balance sheet of the Company of the conversion of the Convertible Notes is between $5 million and $25 million in additional cash prior to the payment of the investor relations marketing fees of $1.5 million.

Key Information	Further Information
Directors' participation and interests	Section 4.10

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective entitlement to Bonus Options, is set out below.

Director	Shares	Options	Bonus Option Entitlement
Adelle Howse	48,392	2,617	42,102
Neil Carter	15,871	348	13,808
James Lougheed	170,413	3,473	148,260
Giles Bourne	200,603	-	174,525
James Walker	194,981	1,875	169,634

Forward looking statements This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'anticipates' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3.	Important Information and Section 3

1. Details of the Offers

1.1 The Bonus Offer

The Bonus Offer is being made as a bonus issue of eighty-seven (87) Bonus Options for every one hundred (100) Shares held by Shareholders registered at the Record Date, to be issued for nil consideration. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus up to approximately 2,123,122 Bonus Options would be issued pursuant to this Offer. No funds will be raised as a result of the Offer.

However, if the maximum number of Bonus Options are exercised the Company will raise approximately $21,000 in additional funds.

Only Eligible Shareholders will be entitled to participate in the Bonus Offer. The Bonus Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Bonus Options offered under the Bonus Offer.

All of the Bonus Options offered under this Prospectus will be issued on the terms and conditions set out in section 4.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at that date. Please refer to section 4.2 of this Prospectus.

Details of the purpose and effect of the Offer are set out in section 2.

As the Bonus Offer involves a bonus issue to Eligible Shareholders there will be no requirement for applications to be submitted to receive Bonus Options.

1.2 Minimum Subscription

There is no minimum subscription.

1.3 The Piggyback Offer

The Piggyback Offer is an offer to Bonus Option Participants of one (1) Piggyback Option for every one (1) Bonus Option exercised on or before the Bonus Option Expiry Date of 31 March 2027, exercisable at $0.02 each on or before the Piggyback Option Expiry Date.

Each Piggyback Option entitles each Bonus Option Participant to one (1) new Share on exercise of each Piggyback Option on or before the Piggyback Option Expiry Date. Assuming all Bonus Options are exercised, based on the capital structure of the Company as at the date of this Prospectus, approximately 2,123,122 Piggyback Options will be issued.

The Piggyback Options are contingent on the exercise of the Bonus Options. No funds will be raised from the issue of the Piggyback Options, other than in respect of funds received on exercise of the Bonus Options. However, if:

(a) the maximum number of Bonus Options are exercised; and

(b) all Piggyback Options issued on exercise of the Bonus Options are exercised, the Company will raise approximately $42,000 in additional funds (by virtue of the exercise of the Piggyback Options).

Only Bonus Option Participants will be entitled to participate in the Piggyback Offer. Bonus Option Participants will be holders of Bonus Options as at the date of the exercise of the Bonus Options by them. The Piggyback Offer is non-renounceable, which means that Bonus Option Participants may not transfer their rights to any Piggyback Options offered under the Piggyback Offer.

The Piggyback Options will be issued on the terms and conditions set out in Section 4.3.

Any Shares issued upon the future exercise of Piggyback Options will rank equally with the Shares on issue at that date. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Piggyback Offer and the intended use of funds raised are set out in Section 2.

As the Piggyback Offer involves the issue of Piggyback Options to Bonus Option participants (who will submit exercise notices for their Bonus Options), there will be no requirement for applications to be submitted to receive Piggyback Options.

1.4 No ASX Listing

The Company will not apply for Official Quotation of the Bonus Options or Piggyback Options offered pursuant to this Prospectus.

1.5 Issue

Bonus Options and Piggyback Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out in this Prospectus.

Holding statements for Bonus Options and Piggyback Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in this Prospectus as soon as practicable after their issue.

1.6 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Shareholders will not receive a certificate but will receive a statement of their holding of Bonus Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Bonus Options or Piggyback Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Bonus Options or Piggyback Options, including a notice to exercise the Bonus Options or Piggyback Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Bonus Options or Piggyback Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.7 Overseas Shareholders

This Prospectus does not, and is not intended to, constitute an offer of Bonus Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Bonus Options and attaching Piggyback Options may not be offered or sold, in any country outside Australia or other countries noted in this Prospectus where it would be unlawful to do so.

1.8 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Bonus Offer is available only to Eligible Shareholders and the Piggyback Offer is available only to Bonus Option Participants. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.9 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 3.

1.10 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for or exercising Bonus Options or Piggyback Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for or exercising Bonus Options or Piggyback Options.

1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the year ended 30 June 2025, is contained in the Annual Report announced on ASX on 29 August 2025. The Company's continuous disclosure notices (i.e. ASX announcements) since 29 August 2025 are listed in Section 4.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Shareholders review these and all other announcements.

1.12 Enquiries concerning Prospectus

If you have any questions, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8.30am to 7.00 pm (Sydney time), Monday to Friday or via email at corporate.actions@automicgroup.com.au.

2. Effect of the Offer

2.1 Purpose of the Offer

Following the recent shareholder approval of the Consolidation and issue of Convertible Notes these Bonus Options and attaching Piggyback Options are designed primarily as a mechanism to protect shareholder value for Eligible Shareholders from the impacts of dilution resulting from the conversion of Convertible Notes into Shares. As such it is important that Eligible Shareholders exercise their Options to maximise the protection against dilution. The Company will undertake measures to remind shareholders to exercise them.

No funds will be raised through the issue of the Bonus Options and the Piggyback Options pursuant to this Prospectus, however if all Bonus Options and Piggyback are exercised, the Company will receive approximately $64,000.

The Prospectus is also being issued to cleanse the issue of Shares upon exercise of either the Bonus Options or Piggyback Options.

2.2 Capital structure on completion of the Offer

Bonus Offer

The effect of the Bonus Offer on the Company's fully diluted share capital as at the date of this Prospectus is as shown in the following table.

	Shares	Options	Convertible Notes	Fully Diluted
Balance at the date of this Prospectus	2,440,369	314,698	500,000	3,255,067
Maximum to be issued pursuant to the Bonus Offer	-	2,123,122	-	2,123,122
Total on issue post Bonus Offer	**2,440,369**	**2,437,820**	**500,000**	**5,378,189**

Piggyback Offer

The effect of the Piggyback Offer on the Company's fully diluted share capital (assuming no convertible notes are converted and no securities are issued other than on exercise of the Bonus Options) is as shown in the following table.

	Shares	Options	Convertible Notes	Fully Diluted
Balance at the date of this Prospectus	2,440,369	314,698	500,000	3,255,067

Shares to be issued on exercise of 100% of Bonus Options	2,123,122	-	-	2,123,122
Maximum number of Piggyback Options to be exercised	-	2,123,122		2,123,122
Total on issue post Offer	**4,563,491**	**2,437,820**	**500,000**	**7,501,311**

Convertible Notes

Prior to the issue of this Prospectus, shareholders approved the issue of up to 15 million $1.00 Convertible Notes and 5 million $2.00 Convertible Notes. As at the date of this Prospectus only 500,000 Convertible Notes have been issued. A further 4,500,000 Convertible Notes are expected to be issued shortly. The impact of the conversion of the Convertible Notes on the fully diluted share capital of the Company in various scenarios is set out in Annexure A.

2.3 Substantial Holders

There are 5 shareholders who each have a relevant interest in the Company of 5% or more of the Shares on issue as at the date of this Prospectus. No shareholder group holds more than 10% of the Shares on issue on the date of this Prospectus. The largest existing shareholder has a relevant interest in 9.95% of the voting shares on issue.

The Offers will have no immediate effect on the number of Shares held, as only Bonus Options and Piggyback Options are being issued. Shareholders who do not exercise their Bonus Options or Piggyback Options will be diluted to the extent that other holders do exercise theirs. The issue of Shares on conversion of the Convertible Notes is likely to reduce the shareholding percentages of each of these shareholder groups. If only 5 million $1.00 Convertible Notes are converted into Shares and only the largest existing shareholder exercised their Bonus Options and Piggyback Options, then they would hold a relevant interest in approximately 8.21% of the voting shares in the Company assuming they did not acquire any additional Shares and no other Shares were issued.

2.4 Use of funds

Nil funds will be raised as a result of the Offers.

The Company will receive $0.01 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately $21,000. There is no certainty that any Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Bonus Options will be used towards continued development on the Company's existing business activities and for working capital. Working capital includes but is not limited to corporate administration and operating costs, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs and payment of creditors or other liabilities. The Company notes there are extra costs associated with the

Bonus Options. Upon each exercise of Bonus Options, the Company must lodge an Appendix 2A with the ASX and will, accordingly, incur further costs in this regard.

The application of funds will depend on when Bonus Options are exercised and the status of the Company's projects and requirements at the relevant time.

As noted above following the recent shareholder approval of the Consolidation and issue of Convertible Notes the Bonus Options are designed primarily as a mechanism to protect shareholder value for Eligible Shareholders from the impacts of dilution resulting from the conversion of Convertible Notes into Shares. As such it is important that Eligible Shareholders exercise their Options to maximise the protection against dilution. The Company will undertake measures to remind shareholders to exercise them.

Piggyback Options

The Company will receive $0.02 for each Piggyback Option exercised. If all Piggyback Options are issued and exercised, the Company will receive approximately $42,000. There is no certainty that any Piggyback Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Piggyback Options will be used towards continued development on the Company's existing business activities and for working capital. Working capital includes but is not limited to corporate administration and operating costs, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs and payment of creditors or other liabilities. The Company notes there are extra costs associated with the Piggyback Options. Upon each exercise of Piggyback Options, the Company must lodge an Appendix 2A with the ASX and will, accordingly, incur further costs in this regard.

The application of funds will depend on when Piggyback Options are exercised, how many are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied.

As noted above following the recent shareholder approval of the Consolidation and issue of Convertible Notes the Piggyback Options are designed primarily as a mechanism to protect shareholder value for Eligible Shareholders from the impacts of dilution resulting from the conversion of Convertible Notes into Shares. As such it is important that Eligible Shareholders exercise their Options to maximise the protection against dilution. The Company will undertake measures to remind shareholders to exercise them.

2.5 Effect on Balance Sheet

The Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. There will be no effect on the Company's balance sheet unless the Bonus Options are exercised.

Any Piggyback Options which are issued pursuant to this Prospectus will be issued for no consideration (other than the payment of the exercise price of the Bonus Options exercised). There will be no effect on the Company's balance sheet unless the Piggyback Options are exercised.

2.6 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

> Lowest: $2.46 on 7 July 2026 (calculated on post consolidation basis); and
> Highest: $2.66 on 14 August 2026 (post share consolidation).

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was $2.66.

3. Risk Factors

Introduction

Eligible Shareholders should be aware that there are risks associated with an investment in Scalare Partners and the Options carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. The key risk factors relevant to an investment in Scalare Partners are set out below. If you have any queries or are uncertain about any aspects of the Prospectus, including these risk factors, consult with your stockbroker, accountant or other professional adviser.

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Security Holders and potential investors should read the entire Prospectus and consider consulting their professional advisers.

The Directors consider that the following summary represents some of the major risk factors which Security Holders and potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Security Holders and potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Risks specific to the Offer

(a) Bonus Options and Piggyback Options

If the Bonus Options or Piggyback Options are exercised, there is no guarantee that Shares issued on exercise of those Bonus Options or Piggyback Options will trade above the exercise price paid for those Shares.

(b) Dilution

If you do not exercise the Bonus Options or Piggyback Options, because you allow those Bonus Options or Piggyback Options to expire without being exercised, and other investors exercise their Bonus Options, your shareholding will be diluted.

3.2 Risks specific to the Company

Scalare has identified the following risks relating to its operating business as being particularly relevant to its potential financial position, performance or prospects.

(a) Future capital requirements of Scalare

Although the Directors believe that, on completion of the Offer and following receipt of the first $5 million from the issue of the initial tranche of 5 million $1.00 Convertible Notes, the Company will have sufficient working capital to carry out its business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Further if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

The Company may seek debt funding in the future to finance a potential expansion of its business. There is no assurance such debt facilities will be obtained when required or obtained on reasonable terms, and there is a risk that debt funding may not be available in sufficient amounts particularly as the Company is currently making a net loss, currently has limited liquid tangible assets, and after completion of the Offer some or all of the additional funding capital raised will be deployed to grow the business. Further, if the Company elects to finance expansion by way of debt facilities, the Company will likely be subject to risks such as interest rate risk and refinancing risk.

(b) Convertible Notes

The transactions that were recently approved involving the issue of the Convertible Notes involve a number of risks including:

(i) they will result in significant dilution of existing Shareholders' interests over time as the Investors convert the Convertible Notes into Shares. For up to 6 months the existing Shareholders will likely only hold Shares that represent 32.8% of the issued Shares, assuming all of the initial 5,000,000 $1.00 Convertible Notes are converted to Shares, however this is mitigated somewhat by the Bonus Options and Piggyback Options and the arrangements in the Relationship Agreement;

(ii) a fee of $1,500,000 represents 30% of the gross subscription proceeds from the initial tranche is being paid in respect of investment marketing services. There is no guarantee that these services will result in a material uplift in respect of the Company’s share price or an increase in liquidity of trading in the Company’s shares;

(iii) the Company's ability to raise capital from alternative sources for a period ending 6 months from Shareholder approval of the consolidation and issue of the Convertible Notes is restrained, which constrains the Board's flexibility to raise additional capital (subject to the permitted exceptions); and

(iv) while all repayments are intended to be made in ordinary shares in the Company, rather than cash, where the Company fails to convert following receipt of a conversion note and the conversion would not breach the ownership cap of 19.99% or an event of default occurs, the Company may be required to repay outstanding Convertible Notes in cash which it may not have at the time requiring the Company to either borrow additional funds, sell assets or become insolvent.

(c) Limited trading history and track record

Scalare has a limited trading history. Scalare has been operating for 6.5 years and is currently loss making and carries the normal risks of an early-stage business. Given the limited trading history, no assurance can be given that Scalare will achieve commercial viability through the implementation of its business plan. Accordingly, the Company is not in a position to give any guidance around likely future revenue or profitability.

(d) New customer growth

Scalare is currently growing its business, and its ability to profitably scale its business is heavily reliant on adoption and ongoing growth of its customer base to increase revenues and achieve profitable operations.

Failure to expand in this way may materially and adversely impact Scalare's ability to achieve economies of scale and to optimise its support services and may therefore adversely impact the Company's ability to achieve future profitability.

Scalare's growth strategy also includes the introduction of new services and technologies. There is a risk that expansion initiatives may result in additional costs and risks or may not deliver the outcomes intended.

Scalare cannot guarantee that it will continue to increase its revenue from existing or new customers.

(e) Loss of Customers

In addition to attracting new customers, Scalare's revenue is dependent upon existing customers and their continued use of the support services offered.

If Scalare fails to retain its existing customers, this is likely to affect the financial performance of the Company.

(f) Loss of Sponsorship agreements – ATC and TRW

Both the Australian Technologies Competition (ATC) and Tech Ready Women (TRW) revenues are heavily reliant on existing annual government and corporate sponsorships to offset the costs of running the operations of both businesses.

Changes in government, government priorities and focus areas could result in annual sponsorships not being renewed.

If Scalare fails to retain its existing sponsors and is unable to source replacement sponsors, this is likely to affect the financial performance of the Company.

(g) Acquisitions implementation risk

Scalare has acquired several businesses ant there is a risk that Scalare is unable to successfully integrate these businesses into its operations. Scalare is allocating resources from the current team to work with the two businesses teams to ensure there is a smooth transition and that the current programs are not interrupted.

However, if Scalare fails to integrate these businesses into Scalare's operations, it is likely to affect the financial performance of the Company.

(h) Key personnel risk

Scalare's financial performance and position will depend on the success of its operating business and its investment strategy. To a significant extent, Scalare performance will be driven by the expertise and decisions of its employees and directors and their ability to grow the existing support services business and execute appropriately on those opportunities. Despite Scalare's efforts to retain key personnel, there is a risk it may not be able to do so, or that it may not be able to attract and retain replacement, or additional, employees with sufficient knowledge and experience to execute Scalare's operating business strategy successfully. Key personnel changes may disrupt Scalare's activities and adversely impact its performance, particularly since Scalare currently has a relatively small number of employees.

(i) Inadequate insurance cover

Scalare's insurance coverage and policies may not comprehensively cover all its risks and liabilities. Appropriate coverage may not be available (or may not adequately cover all losses) or Scalare may choose not to insure against certain risk where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits that may arise (for instance, in regard to cyber security which Scalare does not presently insure against). As a consequence, Scalare may be held liable for claims beyond its insurance coverage limits that could adversely impact its financial position, performance and reputation. In addition, any significant claim against such policies may lead to increased premiums on renewal and/or additional exclusions to the terms of future policies.

(j) Potential acquisitions

The Company may pursue and assess other new business opportunities in the early-stage technology sector. These new business opportunities may take the form of direct acquisitions, investments, joint ventures and/or direct equity participation.

Such acquisitions (whether completed or not) may require the payment of monies after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is undertaken, the Directors will need to reassess at that time, the funding allocated to current and new activities, which may result in the Company reallocating funds from other activities and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new acquisition and business activities will remain.

(k) Counterparty risk

The Company has entered into, and following completion of the Offer, are expected to enter into commercial agreements with third parties. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(l) Unforeseen expenses

The Company is not aware of any expenses that it will be required to incur in the first two years since its listing and which it hasn't already taken into account. However, if the Company is required to incur any such unforeseen expenses, then this may adversely affect the currently proposed expenditure plan and existing budgets for the Company's activities.

(m) Risk of litigation, claims and disputes

The Company may be involved from time to time in litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, claims for indemnification, intellectual property infringement claims and regulatory enforcement actions.

Such litigation claims and disputes may adversely impact the Company's operations and reputation. The Company may also need to incur the cost of settling claims and paying any fines, which may adversely affect the Company's business, operations and financial performance. Further, if such disputes, claims or litigation were to result in damages being awarded against the Company, it could have an adverse impact on the Company's financial performance.

The Company will continue to maintain professional indemnity and public liability insurance in respect of a range of events within coverage ranges determined in accordance with the Board's review and decision. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

3.3 Specific Risk Factors relating to Scalare's Investment Strategy

Scalare has identified the following risks relating to its business and investment strategy as being particularly relevant to its potential financial position, performance or prospects.

(a) Investment strategy risk and returns

Scalare's financial performance and position will partly depend on the success of its investment strategy, including the quality of opportunities that Scalare has access to, assessment of those opportunities, the selection criteria that Scalare utilises, the terms on which it invests, and the manner in which it maintains and manages its portfolio companies. There is a risk that Scalare's investment strategy is not successful in individual cases or in aggregate. Scalare's opinion about the intrinsic value of a portfolio company and its future prospects may be incorrect, and Scalare may not be able to achieve its investment objectives within the desired timeframe, or at all. There is a risk that Scalare's investments in the portfolio companies may not result in an absolute return either individually or in aggregate. There is therefore a risk that a failure in Scalare's investment strategy or lower than expected returns will adversely affect Scalare's financial position or performance.

(b) Investing in businesses in growth and early stages of development

Investments made by Scalare are expected to be in businesses that are in growth or early stages of development. The impact on these businesses if risks eventuate may be more pronounced because of their stage of development. Businesses of this nature may not have sufficient operating cash flows to fund business operations and may therefore need additional capital in the future. Even if risks do not eventuate, they may not generate consistent revenues or become profitable, and Scalare may not be able to reliably estimate the likely future revenues, profitability or returns from these investments with any reasonable degree of certainty.

(c) Portfolio liquidity and exit or dilution risk

Scalare is exposed to liquidity risk in relation to its portfolio, particularly as it predominantly intends to invest in companies which are not traded on public exchanges which, by their nature, may have a smaller pool of potential buyers or investors. If Scalare is unable to exit its investment in its portfolio companies within a particular timeframe, it may suffer losses or fail to achieve a potential gain and there is a risk that Scalare will not have appropriate or timely exit opportunities from portfolio companies. This may arise for example where Scalare does not control the timing of exit events (which may be the case where Scalare holds a minority position), because a portfolio company is taking longer than expected to reach a particular stage in its development to achieve an appropriate exit, where no suitable buyers or exit events exist at a particular time or where pursuant shareholder or other agreements the other shareholders in an investment either block the disposal or cause a disposal to occur. This may mean that the timeframe for the realisation of returns on portfolio companies or conversion to cash for Scalare may be longer than expected. The risks of such illiquidity can be increased and lead to reduced returns to Scalare if a portfolio company is adversely impacted by risks or other events over that extended period. It may also mean that Scalare does not have access to cash that is currently invested in portfolio companies that it would prefer to invest in other opportunities. There is also a risk that Scalare exits a portfolio company, either voluntarily or as part of a compulsory exit, without maximising potential returns which are generated by the investment following Scalare's exit.

Conversely, Scalare may have the opportunity to increase its investment in a portfolio company, or be called upon to provide additional funding, but there is a risk that it may not have the financial capacity or willingness to do so within the required timeframe and that its investment is therefore diluted and it fails to achieve a potential gain. This may reduce Scalare's potential for investment returns, or it may lose other opportunities or rights in relation to that portfolio company as a result.

(d) Asset, investment and market risk

There is a risk that the value of the assets or securities invested in by Scalare may be volatile and decline in value over the short or long term or be difficult to calculate. The return, and expected return, on Scalare's portfolio companies may be affected by a number of risks discussed in other sections of this Section 3, which are outside the control of Scalare. These risks may impact the value, or perceived value, of Scalare's portfolio companies which may impact the performance of the Shares even before any realisation of value by Scalare through exit events, and the performance of Scalare's Shares may not correlate with the current performance or ultimate realised value of Scalare's portfolio companies.

Further, Scalare's portfolio companies may not have a readily ascertainable market price. Portfolio companies (or experts retained by them or other shareholders) may ascribe valuations to portfolio companies that differ from Scalare's assessment of their true and actual realisation value, and different opinions may arise as to what adjustments should to be made when calculating those valuations (for example to account for deferrals and accruals or rates of return or contingencies such as litigation).

The valuations attributed by Scalare to its portfolio companies are based on a number of assumptions that may or may not prove to be correct, including assumptions relating to the future performance of the underlying portfolio companies, size of the market, unit economics of the underlying portfolio companies, general macro-economic conditions, and general investment and share market conditions. While the valuations provide an interim indication of the underlying investment value of the portfolio companies, a determination of actual value is ultimately dependent on the outcome and timing of any eventual realisation of the investments held in the portfolio companies.

There is also a risk that the value of portfolio companies will fluctuate as a result of market conditions. For example, their value may be impacted by changes in factors such as economic conditions, government policy, inflation, interest rates, regulations, sentiment and geopolitical events as well as environmental, social and technological changes. Many of these factors are beyond the control of Scalare (and its portfolio companies).

(e) Key personnel risk

Scalare's financial performance and position will depend on the success of its investment strategy. To a significant extent, Scalare performance will be driven by the expertise and decisions of its employees and directors and their ability to identify new investment opportunities and execute appropriately on those opportunities. Despite Scalare's efforts to retain key personnel, there is a risk it may not be able to do so, or that it may not be able to attract and retain replacement, or additional, employees with sufficient knowledge and experience to execute Scalare's investment strategy successfully (particularly where Scalare is competing for staff against competitors with significantly larger financial resources). Key personnel changes may disrupt Scalare's investment activities and adversely impact its performance, particularly since Scalare currently has a relatively small number of employees.

(f) Risks related to portfolio concentration

Scalare is reliant on the performance and returns from a number of portfolio companies (currently twenty-seven companies). Scalare intends to make more investments each year to expand the portfolio over time. Scalare's intention is to continue to reduce portfolio concentration risk over time. While this is a deliberate facet of Scalare's investment strategy it may lead to a high volatility in Scalare's performance and its ability to reinvest returns in further investments, or make returns to Shareholders, particularly if a segment that it invests in underperforms the broader market.

(g) Minority ownership risks

Scalare's strategy is typically to take a minority equity position in each of its portfolio companies, rather than a controlling interest. It is therefore possible that other equity holders or investors will make decisions with which Scalare disagrees or which are contrary to Scalare's interests, and as a minority owner, Scalare may not be able to implement its preferred strategy. In negotiating the terms of proposed investments, Scalare seeks to obtain adequate protections as a minority shareholder under the terms of its shareholders' agreements to allow it to participate in the direction and strategy of the portfolio company in proportion to its investment, however there is no guarantee that Scalare will be able to negotiate favourable terms as a minority owner in making its investments, or that Scalare will always invest an amount significant enough to provide it with substantial minority shareholding rights. There is also a risk that matters arise which are not covered by customary minority protections, or that portfolio companies disagree with or do not adhere to protections asserted by Scalare. In these cases, Scalare may have insufficient influence or control over decisions made by a portfolio company which it otherwise disagrees with.

(h) Insufficient investments risk

Scalare will endeavour to identify appropriate investment opportunities for Scalare's funds to be invested. Scalare may not be able to identify sufficient investment opportunities that adhere to Scalare's investment strategy, and if Scalare cannot deploy its capital into portfolio companies of a sufficient number and quality, Scalare may not be able to achieve an appropriate return from its investment activities.

(i) Future capital requirements of Scalare

Scalare may need to raise additional capital to fully exploit investment opportunities which become available to it from time to time. There can be no assurance that Scalare will be able to raise such capital on favourable terms or at all. If Scalare is unable to obtain or invest such additional capital, Scalare may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect its financial performance, position or prospects.

(j) Due diligence risk

Scalare undertakes due diligence processes in respect of investment opportunities, which may include engaging external legal advisers, and other commercial, tax or financial advisers as considered appropriate in the context of the potential investment. As part of its due diligence processes, Scalare will rely to an extent on the financial and other information provided to it and its external advisers by the potential portfolio company.

There is a risk that Scalare or its advisers may not always be able to verify the accuracy, reliability or completeness of all of the information which is provided to Scalare against independent data and that the information provided or available to Scalare is not complete and accurate. There is also a risk that Scalare may not identify all issues associated with a portfolio company. For example, having regard to relevant factors (including for example the potential size of the investment) Scalare may choose to do a reduced diligence process or elect not to examine particular areas where material risks are unlikely to arise. Further, it is also possible, notwithstanding due diligence conducted, that Scalare and its advisers do not identify, or give appropriate weight to, matters which ultimately prove to be material risks. Further, due diligence processes may often focus on historical matters and may not reliably identify future risks.

Although Scalare may seek appropriate warranty protection from the portfolio company or vendor in respect of certain matters, including the accuracy of information provided as part of the due diligence process, there is a risk that Scalare may not obtain warranties or indemnities over all matters that it seeks or which subsequently give rise to issues. There is also a risk that warranties and indemnities that it does obtain may not be enforceable, or are too costly or commercially unproductive to enforce, or that the portfolio company or vendor may not fully reimburse Scalare for the amount of any or all of its loss.

(k) Interest rate risks

Scalare's return on its investments maybe impacted by movements in interest rates. Interest rate increases and economic headwinds could negatively impact returns for investors in the near term. Given Scalare's investments are in early-stage companies which are inherently higher risk, this represents a risk for Scalare moving forward. Spending pressures and negative business confidence have the potential to soften investment performance over the coming period. Easing of inflationary pressures and interest rate rises could aid the early-stage businesses in Scalare's investment portfolio.

(l) Currency risks

Scalare has and may make additional investments that are denominated in a currency other than Australian dollars, or that it indirectly has currency exposures as a result of the jurisdictions in which its portfolio companies operate. There is a risk that adverse movements in foreign exchange rates will reduce the value of Scalare's portfolio companies in Australian dollar terms, and that depreciation of a foreign currency may outweigh an appreciation in the underlying value of the investment, causing a loss for Scalare.

While Scalare does not currently hedge its foreign currency exposure, it may choose to do so in the future by cash or derivative instruments (and the cost of implementing hedging may be significant). In this event, there is a risk that Scalare's foreign currency exposure may be over or under hedged. Additionally, it may not be possible to hedge all foreign currency exposures, and there is no guarantee that hedging will be successful.

(m) Risks in relation to debt investments

Where Scalare makes debt investments in portfolio companies, it may not receive rights equivalent to those it would expect to receive when making an equity investment (for example voting rights or pre-emptive rights) and, depending on the terms of the investment, it may not have the right to convert that debt to equity in the future. Debt investments made by the Company may carry different risks to equity investments, and, as the Company seeks to invest in growth and early-stage companies, the risk of default or non-repayment by a portfolio company may be increased. Further, Scalare's right to receive payments (with any associated interest) under a debt instrument may be subordinated to senior or secured creditors. If a portfolio company is unable to repay debt owed to Scalare, the value of Scalare's investment may be materially impacted and Scalare may not be able to realise an investment return on that investment.

3.4 Laws and regulations impacting Scalare

Scalare is subject to laws and regulations, including regulatory oversight or controls imposed by governments and regulatory authorities like ASIC, both in Australia and in foreign jurisdictions where Scalare invests. Scalare may become subject to laws and regulations as a result of or relating to portfolio companies in which it invests, and their businesses in their respective jurisdictions. The laws and regulations which apply to Scalare may be numerous, complex, uncertain, potentially inconsistent and subject to change over time. They may increase as Scalare expands its operations or investments into new jurisdictions if the laws of those jurisdictions offer less legal rights and protections to holders of securities in such foreign entities as compared with the laws in Australia.

There is a risk that changes to applicable laws or regulations (including new laws or regulations, or their interpretation) or the requirements of regulatory authorities, may have an adverse impact on the cost or ability of Scalare to conduct business (or the manner in which it does) in the jurisdictions in which it operates or invests. There is a risk that Scalare has inadvertently failed to comply with applicable laws in the past or may fail to do so in the future. Such laws could include, without limitation, laws relating to corporations, licensing or securities laws, the regulation of investments or the movement of money, employment or taxation. Changes to laws and regulations or the introduction of or new laws and regulations, may impact portfolio companies in which Scalare invests (laws and regulations of this nature may also impact Scalare itself). Non-compliance with laws or regulations may also result in litigation or financial penalties being levied against Scalare. Any of these risks if they eventuate may have an adverse impact on Scalare' financial performance, position, prospects or reputation.

3.5 Key Risks for Portfolio Companies

There are risks relating to businesses and companies of the nature in which Scalare proposes to invest. Each portfolio company is likely to be distinct and face different risks. Below are examples of risks which portfolio companies may be subject to. Investors should note that these risks do not purport to be the complete list of all key risks that particular portfolio companies may be subject to, nor will each portfolio company necessarily be subject to all of these risks to the same extent or at all. Further, while the impact of a risk may be material to a portfolio company, the impact of this risk on Scalare will depend on the circumstances, for example the proportion it represents of Scalare's invested assets or net assets, or its expected contribution to Scalare's returns over the shorter or longer term. Nevertheless, should any of the risks below arise, particularly where they impact the operations, value, returns, exit options or solvency of one or more portfolio companies, Scalare's financial position, performance or prospects may be adversely affected.

(a) Portfolio companies may not be financially successful or attract necessary capital

A portfolio company may not generate consistent revenues, profits or positive cashflows which may impact its long-term viability. The success or viability of a portfolio company may also be impacted by its ability to access capital to meet capital expenditure and operating cashflow needs. A portfolio company may not attract sufficient capital for its needs if Scalare or other investors do not participate in capital raisings undertaken by it.

(b) Business model and related risks

The long-term viability of a portfolio company may be impacted by the success or obsolescence of factors like its business model, technology, or commercialisation of products or services. This risk may be heightened where the portfolio company is investing in new technologies, business models and markets, even where the portfolio company may have a first mover advantage in its area. For portfolio companies investing in new technologies, a change in market acceptance or attitude to the technology used by the portfolio company may render the portfolio company's technology obsolete or require a change in the structure or operations of the business at a material cost to the portfolio company. A portfolio company may not perform to the level expected by Scalare and could fail to implement proposed business plans, expansion plans and strategies effectively or within the desired timeframe.

(c) Early-stage nature of portfolio companies

A portfolio company in a relatively early stage of development may not have strong market penetration, or customer or supplier relationships, or have well-developed business strategies, systems and controls in place. It may not be able to drive organic customer growth, attract sufficient talent to grow the business, be able to acquire new customers at a reasonable cost, and may also experience differing degrees or rates of growth and struggle to scale successfully. Any early market advantage or position may not be lasting or generate consistent revenues or become profitable. Additionally, due to its early-stage nature and potential lack of industry or supplier relationships, a portfolio company may not be able to negotiate contracts with suppliers on favourable terms, or with any margin commercially necessary for the business. There is a risk that a company of this nature may fail to achieve returns targeted by Scalare if at all and should be considered speculative. Some clients or customers of a portfolio company may themselves be in early stages of development and be subject to similar risks faced by a portfolio company. The failure of customers or clients of this nature (or of potentially even more mature customers or clients) may expose the portfolio company to credit risks.

(d) Competition

Portfolio companies are likely to be subject to competitive market forces, and their ability to create and maintain a competitive advantage may be critical to success and performance. There is also a risk that measures undertaken by a portfolio company to maintain or enhance its competitive positions will not be effective. Competition may arise from new market entrants or existing businesses, and such competitors may have greater financial resources, stronger industry relationships, or a differentiated or lower cost product which may impact the portfolio company's market position, revenues and gross margins.

(e) Founders and key personnel

Portfolio companies are typically operated by their founders or founding group, and Scalare relies on those individuals to operate the business and provide industry knowledge and local expertise in the jurisdiction in which the portfolio company conducts its business. If a founder or founders were to leave the portfolio company, there is a risk that the portfolio company may suffer a decline in performance, encounter difficulty or incur expenses in locating suitable replacements, take longer to implement its business plan or otherwise be unable to meet its targets. There is also a risk that non-compete and escrow restrictions on founders in employment agreements or shareholders agreements prove to be ineffective or unenforceable.

(f) Compliance with key laws and regulations

Portfolio companies are subject to various laws, regulations and industry compliance requirements, which often vary significantly between jurisdictions. These may include, among other things, laws, regulations and compliance requirements relating to governance, disclosure, capital, risk management, licensing, anti-money laundering, privacy, cyber security, sales practices and conduct of business. Scalare relies on portfolio companies to conduct their businesses in accordance with legal obligations and to have policies, processes and procedures in place to endeavour to ensure that they are met, to understand the effect of compliance obligations upon business activities, and to achieve ongoing compliance by detecting and responding to business changes. However, there is a risk that a portfolio company's past or current activities, have caused or may cause them to contravene laws or regulations (including, amongst other things, laws relating to employment terms and conditions, intellectual property, banking laws and investment, corporations and securities laws or privacy laws) that could result in fines, penalties, injunctions or suspensions of certain activities and payment of compensation to affected parties and affect the enforceability of contracts. There is also a risk that portfolio companies may not become aware of such contraventions for some time, which may exacerbate the nature of the contravention or their consequences. Compliance obligations may also divert a portfolio company's attention from the day-to-day operation of its business.

(g) Changes in laws and regulations (including new laws and regulations)

Changes to government policy, legislation or regulations may adversely impact a portfolio company, for example by impacting its ability to perform certain transactions or operate in a certain way cost effectively or at all. This risk may be heightened in jurisdictions where the laws relating to portfolio company activities are uncertain, developing or yet to develop.

(h) Foreign jurisdictions regulatory regimes and economic environments

Portfolio companies operating outside Australia and other developed countries may be exposed to risks not usually associated with investing in Australia and other developed markets. These may include political, social and economic instability, difficulty in enforcing legal rights, unforeseen taxes and less stringent regulatory protections, reporting and disclosure requirements.

Changes to foreign economic and international trade environments may also impact the business of a portfolio company, and subsequently the value of Scalare's investment. Many of the portfolio companies operate in either one or multiple foreign jurisdictions and are reliant on harmonious trade relations to successfully operate their businesses.

(i) Risks in investment structures

Scalare may invest in many foreign jurisdictions, or the entities in which it invests may have operations in different foreign jurisdictions, including developing countries or countries with legal systems based on different legal foundations to those of Australia. The securities or structure through which Scalare holds its portfolio companies in, the terms of those securities or structures and the legal systems underpinning those securities may differ from those commonly used in Australia.

Scalare may choose to use those securities or structures based on advice that they are commonly or appropriately used, or necessary to use, in the jurisdictions that it invests in. While they may be considered to be appropriate or necessary in the context of Scalare' overall investment strategy and its objectives in relation to a particular portfolio company, they may involve risks. For example, these risks may relate to:

- the certainty or enforceability of Scalare's (or entities through which it invests) rights, including against counterparties;
- Scalare's ability to inject, move or extract money in relation to the portfolio companies in a tax effective manner or at all;
- Scalare's ability to operate in certain jurisdictions in a cost-effective manner or at all or to obtain governmental permissions to operate in those jurisdictions where required; and
- risks in relation to uncertainties over the potential legality of their rights or the absence or changing nature of laws and regulations affecting them or the potential for laws or regulations to be introduced or changed in the future.

In addition to risks faced by Scalare's and entities through which it invests, similar risks may be faced by the portfolio companies themselves and their operations.

(j) Managing rapid growth

Portfolio companies may seek to generate rapid growth in their operating activities, for example by on boarding new clients and expanding their operations in their existing markets and also in new jurisdictions. If a portfolio company is unable to control growth effectively (which includes successful training, integration and recruitment of employees needed to manage the envisaged growth, upgrading of technology and systems, and efficient improvement of business processes and controls), there is a risk that the portfolio company will not take advantage of market dynamics and opportunities, execute its business strategy as effectively as it otherwise could, fulfil customer expectations or respond to competitive market forces.

(k) Inability to protect intellectual property

Many portfolio companies will rely on their intellectual property rights to maintain and grow their businesses. There is a risk that a portfolio company may fail to adequately protect its rights and that, despite precautionary procedures, is unable to detect unauthorised use, misappropriation or theft of its intellectual property rights. Portfolio companies or their employees, associates and partners may also disclose, even inadvertently, confidential information regarding their systems and procedures, which could result in other persons leveraging intellectual property for their own advantages. As a result, a portfolio company may not have full right, title and interest to some or all of its intellectual property. In this event, the portfolio company may have difficulty taking enforcement measures against a third party who attempts to use its intellectual property or may be barred from using its own intellectual property due to a third-party having priority rights. Any threatened or actual breach of intellectual property rights may result in disputes, litigation and administrative proceedings and further divert management's attention from its key business activities. Any dispute or legal proceeding may also be unsuccessful, time-consuming, costly and difficult to implement enforcement action against.

(l) Breach of third-party intellectual property rights

There is a risk that third parties may allege that portfolio companies use intellectual property derived by them or from their products without their consent or permission. Portfolio companies may therefore be the subject of claims which could result in disputes or litigation, which could necessitate in the payment of monetary damages, cause delays and increase costs.

(m) Disruption or failure of technology systems and data breaches

Portfolio companies may become the subject of system failures, viruses, cyber-attacks, hacking, vandalism or other negative events which could render its technology or platforms unavailable for a period of time or result in the theft, loss or corruption of sensitive information and data. The effects of any such events could extend to reputational harm, regulatory scrutiny and claims from affected employees, clients, prospective clients and potentially even government fines. Such circumstances could materially negatively impact the ability of portfolio companies to achieve their financial and operational positions, performance or prospects. Further it is possible that measures utilised by portfolio companies (including firewalls, data encryption software, privacy policies and policies pertaining to restricted access to data) will not be sufficient to detect or prevent unauthorised access to or disclosure of confidential information by third parties, hackers or other governmental bodies. As a result, if any data security breaches, corruption of portfolio companies' databases or leak of confidential information occurs, there is a risk that the portfolio companies themselves could suffer loss of information integrity, reputational damage, system outages and breaches of their obligations under applicable laws, counter-party agreements and customer arrangements.

(n) Currency risk

Portfolio companies may face currency risks in their businesses like those faced by Scalare and where portfolio companies operate in foreign jurisdictions, differences in foreign exchange rate against the home currency, or fluctuations in this rate may impact a portfolio company's pricing competitiveness or profitability.

3.6 General risks

(a) Share market and economic risk

The market price of the Shares may be highly volatile and subject to wide fluctuations. In addition, the trading volume of Shares may fluctuate and cause significant price variations to occur. If the market price of the Shares declines significantly, you may be unable to resell your Shares at or above your purchase price, if at all. Scalare cannot assure you that the market price of the Shares will not fluctuate or significantly decline in the future.

Some specific factors that could negatively affect the price of the Shares or result in fluctuations in their price and trading volume include:

- actual or expected fluctuations in Scalare's operating results;
- changes in market valuations of similar companies;
- further changes in Scalare's key personnel;
- changes in financial estimates or recommendations by securities analysts; and
- conditions in the financial markets or changes in general economic conditions.

In addition, general economic conditions, movements in interest and inflation rates, the imposition of tariffs and other restrictions on international trade and currency exchange rates may have an adverse effect on Scalare's activities, as well as on its ability to fund those activities.

(b) Additional requirements for capital

Scalare' funding requirements depend on numerous factors including Scalare' ability to generate income from its business endeavours, the outcome of future research and development programs and the acquisition of any new projects or acquisitions. Scalare may require further funding in addition to current cash reserves to fund future activities or the acquisition of new projects. Additional equity financing, if available, may be dilutive to shareholders or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If Scalare is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programs.

(c) Litigation risk

Scalare is exposed to possible litigation risks including intellectual property claims, contractual disputes, work health and safety claims and employee claims. Further, Scalare may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Scalare' operations, financial performance and financial position. Scalare is not currently engaged in any litigation.

(d) Technology sector risk

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of Scalare' securities may be adversely affected by any general decline in the valuation of listed securities or adverse market sentiment towards the technology sector in particular, regardless of the Scalare' operating performance.

(e) Force majeure

Scalare, now or in the future, may be adversely affected by risks outside the control of Scalare including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

(f) Acquisitions

As part of its business strategy, Scalare may make acquisitions of, or significant investments in, companies, products, technologies or products that are complementary to Scalare' business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus and the Shares issued on their exercise.

Therefore, the Options to be issued pursuant to this Prospectus, and the Shares issued on their exercise, carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to exercise Options pursuant to this Prospectus.

4. Additional information

4.1 Terms and conditions of Bonus Options

The terms and conditions of the Bonus Options are as follows:

(a) **Entitlement**

Each Bonus Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) and one attaching Piggyback Option upon exercise of the Bonus Option.

(b) **Exercise Price and Expiry Date**

Each Bonus Option has an exercise price of $0.01 and will expire on 31 March 2027 (**Expiry Date**).

Any Bonus Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Bonus Options are exercisable from 5 February 2027 and up to the Expiry Date.

(d) **Quotation of the Options**

The Company does not intend to apply for Official Quotation of the Bonus Options.

(e) **Transferability of the Options**

The Bonus Options will not be transferable unless agreed by the Company in writing.

(f) **Notice of Exercise**

The Bonus Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.

(g) **Shares Issued on Exercise**

Shares issued on exercise of the Bonus Options rank equally with the then Shares of the Company.

(h) **Timing of Issue of Shares**

Within 10 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Bonus Option being exercised the Company shall:

(i) issue the Shares and Piggyback Option pursuant to the exercise of the Bonus Options; and

(ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Bonus Options.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Bonus Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options. Option holders will need (if able) to exercise their Options in order to participate in any new issues.

(j) **Adjustment for Bonus Issues of Shares**

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

(i) the number of Securities which must be issued on the exercise of a Bonus Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Bonus Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(k) **Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue to which paragraph (j) will apply) there will be no adjustment of the Exercise Price of a Bonus Option or the number of Shares over which the Bonus Options are exercisable.

(l) **Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Option Holders will be varied in accordance with the Listing Rules.

4.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General meeting and notices**

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. The Constitution does not permit Shareholders to call a general meeting, although Shareholders may call a general meeting in accordance with the provisions of the Corporations Act.

A notice of general meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a Shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and the text of the special resolution.

The quorum for a meeting of the Shareholders is two Shareholders and the quorum must be present at all times during the meeting.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting every Shareholder present in person or by a representative has one vote on a show of hands and every Shareholder present in person or by a representative, proxy or attorney has one vote per Share on a poll. Where there are two or more joint Shareholders and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the Shareholder whose name appears before the other(s) in the Company's register.

(c) **Alteration of Capital**

Subject to the Constitution, Corporations Act and the Listing Rules, the Company in general meeting may increase, divide, consolidate or reduce its share capital if it complies with the Constitution, Corporations Act and the Listing Rules.

(d) **Variation of Rights**

Subject to the Constitution, Corporations Act and Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to the shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors or the ASX.

The Company must not prevent, delay or in any way interfere with the registration of a proper ASX Settlement transfer. However, the Company may decline to register a transfer of Shares in the circumstances described in the Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, the Constitution, the Listing Rules or the ASX Settlement Rules.

(f) **Dividends**

The Directors, subject to the Constitution, the Corporations Act and the Listing Rules, may determine that a dividend is payable and fix the amount, the time for payment, and the method of payment. The Directors may, before declaring any dividend, set aside out of the profits of the Company, such sums as they think proper as reserves, which may be used in the business of the Company or be invested in such investments as the Directors think fit.

(g) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.3 Terms and conditions of Piggyback Options

The terms and conditions of the Piggyback Options are as follows:

(a) **Entitlement**

Each Piggyback Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Each Piggyback Option has an exercise price of $0.02 and will expire 31 March 2028 (**Expiry Date**).

Any Piggyback Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Piggyback Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(d) **Quotation of the Options**

The Company does not intend to apply for Official Quotation of the Piggyback Options.

(e) **Transferability of the Options**

The Piggyback Options will not be transferable unless the Company otherwise consents in writing.

(f) **Notice of Exercise**

The Piggyback Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.

(g) **Shares Issued on Exercise**

Shares issued on exercise of the Piggyback Options rank equally with the then Shares of the Company.

(h) **Timing of Issue of Shares**

Within 10 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Piggyback Option being exercised the Company shall:

(i) issue the Shares pursuant to the exercise of the Piggyback Options;

(ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Piggyback Options.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Piggyback Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Piggyback Options. Option holders will need (if able) to exercise their Options in order to participate in any new issues.

(j) **Adjustment for Bonus Issues of Shares**

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

(i) the number of Securities which must be issued on the exercise of a Piggyback Option will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Piggyback Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(k) **Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue to which paragraph (j) will apply) there will be no adjustment of the Exercise Price of a Piggyback Option or the number of Shares over which the Piggyback Options are exercisable.

(l) **Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Option Holders will be varied in accordance with the Listing Rules.

4.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.5 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.6 below). Copies of all documents announced to the ASX can be found at www.scalarepartners.com.

4.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide a copy of each of the following documents, free of charge, to any person on request:

a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2025;

b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASX; and

c) any continuous disclosure notices given by the Company to ASX after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Prospectus with ASX.

A list of the continuous disclosure notices given by the Company to ASX after lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASX is set out in the table below:

Date lodged	Subject of Announcement
29 August 2025	FY 25 Full Year Results Presentation and Update
29 August 2025	FY 25 Appendix 4G and Corporate Governance Statement
2 September 2025	Scalare Partners Successfully Closes Share Purchase Plan
3 September 2025	Results of General Meeting
10 September 2025	Scalare Partners Completes Acquisition of Tank Stream Labs
10 September 2025	Application for quotation of securities -SCP
10 September 2025	Application for quotation of securities -SCP
10 September 2025	Application for quotation of securities - SCP
10 September 2025	Notification regarding unquoted securities - SCP
10 September 2025	Notification regarding unquoted securities - SCP
10 September 2025	Cleansing Notice
11 September 2025	Change of Director’s Interests Notice - Quarry
11 September 2025	Change of Director’s Interests Notice - Howse
11 September 2025	Change of Director’s Interests Notice - Carter
11 September 2025	Change of Director’s Interests Notice - Walker
12 September 2025	Change in substantial holding
12 September 2025	Change in substantial holding
15 September 2025	Change in substantial holding
15 September 2025	Change of Director’s Interests Notice - Lougheed

16 September 2025	Change in substantial holding
18 September 2025	Change in substantial holding
29 September 2025	Scalare Partners Acquires Planet Startup
1 October 2025	Scalare Partners Completes Acquisition of Planet Startup
1 October 2025	Proposed issue of securities - SCP
2 October 2025	Application for quotation of securities -SCP
14 October 2025	Notice of Escrow Release
27 October 2025	2025 Notice of annual General Meeting
29 October 2025	Initial Director's Interest Notice - Bourne
30 October 2025	Quarterly Activities/Appendix 4C Cash Flow Report
30 October 2025	Investor Presentation
3 November 2025	Launch of AI -powered Startup Community – The Founders Union
7 November 2025	Application for quotation of securities - SCP
19 November 2025	Change of Director's Interests Notice - Howse
27 November 2025	2025 AGM Presentation
27 November 2025	Results of 2025 Annual General Meeting
28 November 2025	Constitution
2 December 2025	Proposed issue of securities -SCP
5 December 2025	Application for quotation of securities - SCP
5 December 2025	Cleansing Notice

5 December 2025	Notification regarding unquoted securities - SCP
8 December 2025	Change of Director’s Interests Notice - Howse
8 December 2025	Change of Director’s Interests Notice - Quarry
8 December 2025	Change of Director’s Interests Notice - Bourne
8 December 2025	Change of Director’s Interests Notice - Lougheed
8 December 2025	Change of Director’s Interests Notice - Walker
10 December 2025	Change of Director’s Interest Notice - Correction
23 December 2025	Notification of cessation of securities – SCP
28 January 2026	Quarterly Activities/Appendix4C Cash Flow Report
24 February 2026	1H FY26 Investor Webinar
27 February 2026	H1 FY26 Appendix 4D and Half Year Report
27 February 2026	H1 FY26 Results release
27 February 2026	H1 FY26 Results Presentation
4 March 2026	Change of Director’s Interest Notice – Bourne & Howse
13 March 2026	Change of Director’s Interest - Walker
31 March 2026	Change of Director’s Interest - Walker
15 April 2026	Change of Company Secretary
16 April 2026	Scalare Partners with Investment Infrastructure Platform
22 April 2026	Change in the Board
24 April 2026	Quarterly Activities / Appendix 4C Cash Flow Report

28 April 2026	Final Director’s Interest Notice – Quarry
2 June 2026	SCP acquires Fishburners
2 July 2026	Application for quotation of securities
2 July 2026	Application for quotation of securities
2 July 2026	General Meeting Notice of Meeting, Access Letter and Proxy
2 July 2026	SCP secures binding $5m convertible note commitment agreed
2 July 2026	Proposed issue of securities – SCP
2 July 2026	Proposed issue of securities – SCP
2 July 2026	Notice of Proposed Share Consolidation
2 July 2026	Consolidation / Split – SCP
2 July 2026	Cleansing Notice
9 July 2026	Change of Director’s Interest Notice – Howse
9 July 2026	Change of Director’s Interest Notice – Carter
9 July 2026	Change of Director’s Interest Notice – Lougheed
15 July 2026	Reappointment of CFO
16 July 2026	Company Secretary Appointment/Resignation
16 July 2026	Change of Director’s Interest Notice - Bourne
31 July 2026	Quarterly Activities / Appendix 4C Cash Flow Report
4 August 2026	Results of General Meeting
6 August 2026	Notification regarding unquoted securities - SCP
6 August 2026	Convertible Note Cleansing Statement

17 August 2026	Change of Director's Interests Notice (AH)
17 August 2026	Change of Director's Interests Notice (JW)

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 4.14 and the consents provided by the Directors to the issue of this Prospectus.

4.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

4.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Bonus Options under this Prospectus.

4.9 ASIC Instruments

The Offer is made pursuant to ASIC Corporations (Exposure Period) Instrument 2026/90 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven-day period after the date of lodgement of the Prospectus with ASIC.

The Offer is also made pursuant to ASIC Corporations (Application Form Requirements) Instrument 2017/241 which exempts the Company from complying with section 723(1) of the Corporations Act to the extent that that section only permits an issue of Options in response to an application form included in or accompanied by a disclosure document.

4.10 Interests of Directors

(a) **Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(i) the formation or promotion of the Company;

(ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or

(iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(iv) as an inducement to become, or to qualify as, a Director; or

(v) for services provided in connection with the formation or promotion of the Company, or the Offer.

(b) **Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective entitlement to Bonus Options, is set out below.

Director	Shares	Options	Bonus Option Entitlement
Adelle Howse	48,392	2,617	42,102
Neil Carter	15,871	348	13,808
James Lougheed	170,413	3,473	148,260
Giles Bourne	200,603	-	174,525
James Walker	194,981	1,875	169,634

(c) **Remuneration of Directors**

The Constitution of the Company provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors in a general meeting, to be divided among the Directors and in default of agreement then in equal shares. The current maximum total aggregate amount of directors' fees payable to Non-Executive Directors without the approval of holders is set at $500,000 per annum.

The Company may also pay the Director's travelling and other expenses they properly incur.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	FY ended 30 June 2025 ($)	FY ended 30 June 2024 ($)
Adelle Howse- Non-Executive Chair	94,329	0
Neil Carter – Non-Executive Director	71,053	0
James Lougheed – Non-Executive Director	209,216	0

Giles Bourne – Executive Director	203,286	187,858
James Walker – Executive Director	349,337	235,134

4.11 Related party transactions

There are no related party transactions involved in the Offer.

4.12 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

(a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Bonus Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Options offered under this Prospectus; or

(b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Bonus Options offered under this Prospectus.

Automic has been appointed to conduct the Company's share registry functions and will provide administrative services in respect of this Offer and will be paid for these services on standard industry terms and conditions.

4.13 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expenses of the Offer	$
ASIC lodgement fee	3,206
ASX quotation fee	13,821
Legal and preparation expenses	8,000
Printing, mailing and other expenses	5,000
Total	**30,027**

4.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Automic has given its written consent to being named as the Share Registry to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

Adelle Howse (Aug 17, 2026 11:54:39 GMT+10)

Adelle Howse
Non-Executive Chair

Dated: 17 August 2026

6. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

$	means Australian dollars.
$1.00 Convertible Notes	means a convertible note with a face value of $1.00 the issue of which was approved at a general meeting of the Company held on 4 August 2026
$2.00 Convertible Notes	Means a convertible note with a face value of $2.00 the issue of which was approved at a general meeting of the Company held on 4 August 2026
AEST	means Australian Eastern Standard Time
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Operating Rules	means ASX Settlement Operating Rules of ASX Settlement.
Board	means the Directors meeting as a board
Bonus Offer	Means the offer of 87 Bonus Options for every 100 Shares held by an Eligible Shareholder
Bonus Option	means an option to acquire a Share on the terms and conditions set out in 4.1 of this Prospectus
Bonus Option Participant	means a person who exercises a Bonus Option
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day
CHESS	means ASX Clearing House Electronic Subregistry System
Company	means Scalare Partners Holdings Limited (ACN 629 598 778).
Constitution	means the constitution of the Company as at the date of this Prospectus
Convertible Notes	means the $1.00 Convertible Notes and the $2.00 Convertible Notes
Corporations Act	means *Corporations Act 2001* (Cth).
Directors	mean the directors of the Company as at the date of this Prospectus
Eligible Shareholder	means a Shareholder whose registered address is in any of Australia, New Zealand, Canada (Ontario and Alberta only), France, Hong Kong, India, Laos, Singapore, The United

	Kingdom, The United States (limited to institutional accredited investors) and Vanuatu on the Record Date
Entitlement	means the entitlement of a shareholder who is eligible to participate in the Offer
Investor	means The Blackstone Mercantile Group Ltd, SAC
Issue Date	means the date specified in the Indicative Timetable.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS
Listing Rules	means the listing rules of ASX
Offers	means the Bonus Offer and the Piggyback Offer the subject of this Prospectus
Official List	means the official list of ASX
Official Quotation	means quotation of Securities on the Official List
Option	means the right to acquire one Share in the capital of the Company
Option Holder	means a holder of an Option
Piggyback Offer	means the offer of a Piggyback Option on exercise of a Bonus Option
Piggyback Option	means the options the terms of which are set out in Section 4.3
Prospectus	means this prospectus dated 17 August 2026
Record Date	means 7.00 pm (AEST) on 24 August 2026
Relationship Agreement	Means an agreement between the Company and the Investor relating to how the Investor and assigns will act in respect of the Company
Section	means a section of this Prospectus
Securities	mean any securities including Shares, Options (including Bonus Options or Piggyback Options) or Performance Shares issued or granted by the Company
Security Holders	means a holder of Securities
Share	means a fully paid ordinary share in the capital of the Company
Share Registry	means Automic Registry Services (ABN 27 152 260 814).
Shareholder	means a holder of Shares

Annexure A – Shareholder Dilution Impact Scenarios

Dilution Table 1 – Assuming 5 million and 10 million convertible notes are converted and various Bonus Options scenarios and no Piggy Back Options are exercised

	5 million Conv. Notes converted	5 million Conv. Notes converted	5 million Conv. Notes converted	10 million Conv. Notes converted	10 million Conv. Notes converted	10 million Conv. Notes converted
	Col. 2A	Col. 2B	Col. 2C	Col. 3A	Col. 3B	Col. 3C
Shares on issue	2,440,369 **	2,440,369 **	2,440,369 **	2,440,369 **	2,440,369 **	2,440,369 **
Offer Price / Convertible Note Price	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
Gross amount raised	$5.0 m	$5.0 m	$5.0 m	$10.0 m	$10.0 m	$10.0 m
Net amount received	$3.5 m	$3.5 m	$3.5 m	$8.5 m	$8.5 m	$8.5 m
Number of shares issued / converted	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Bonus Options Exercised	2,123,122	1,061,561	0	2,123,122	1,061,561	0
Total shares on issue assuming no Piggy Back Options exercised	9,563,491	8,501,930	7,440,369	14,563,491	13,501,930	12,440,369
Dilution impact on existing shareholders assuming no Piggy Back Options exercised	52.3%	58.8%	67.2%	68.7%	74.1%	80.4%
Existing shareholders own assuming no Piggy Back Options exercised	47.7%	41.2%	32.8%	31.3%	25.9%	19.6%

Assumptions:

- Convertible notes – Column 2 A - assumed the first tranche of $5,000,000 is received and converted, 100% of the Bonus Options are taken up and 0% of the Piggy Back Option is taken up
- Convertible notes – Column 2B - assumed the first tranche of $5,000,000 is received and converted, 50% of the Bonus Options are taken up and 0% of the Piggy Back Option is taken up
- Convertible notes – Column 2C - assumed the first tranche of $5,000,000 is received and converted, 0% of the Bonus Options are and 0% of the Piggy Back Options are taken up
- Convertible notes – Column 3A – assumed all tranches, totalling $10,000,000 are received and converted, 100% of the Bonus Options are taken up and 0% of the Piggy Back option is taken up.
- Convertible notes – Column 3B – assumed all tranches, totalling $10,000,000 are received and converted, 50% of the Bonus Options are taken up and 0% of the Piggy Back options are taken up

- Convertible notes – Column 3C – assumed all tranches, totalling $10,000,000 are received and converted, 0% of the Bonus Options are taken up and 0% of the Piggy Back options are taken up
- Bonus Option Offer – Columns 2A and 3A assume all Bonus Options are exercised by shareholders but no Piggy Back options are exercised.
- Bonus Option Offer – Columns 2B and 3B assumes 50% of the Bonus Options are exercised by shareholders but no Piggy Back Options are exercised.
- Bonus Option Offer – Columns 2C and 3C assumes no Bonus Options are exercised and therefore no Piggy Back options are exercised by the shareholders.
- ** post share consolidation.
- No accrued interest on Convertible Notes which are converted.

Dilution Table 2 – Assuming 5 million and 10 million convertible notes are converted and various Bonus Options and Piggy Back Options are exercised

	5 million Conv. Notes converted	5 million Conv. Notes converted	5 million Conv. Notes converted	10 million Conv. Notes converted	10 million Conv. Notes converted	10 million Conv. Notes converted
	Col. 2A	Col. 2B	Col. 2C	Col. 3A	Col. 3B	Col. 3C
Shares on issue	2,440,369**	2,440,369**	2,440,369**	2,440,369**	2,440,369**	2,440,369**
Offer Price / Convertible Note Price	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
Gross amount raised	$5.0 m	$5.0 m	$5.0 m	$10.0 m	$10.0 m	$10.0 m
Net amount received	$3.5 m	$3.5 m	$3.5 m	$8.5 m	$8.5 m	$8.5 m
Number of shares issued / converted	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Bonus Options Exercised	2,123,122	1,061,561	2,123,122	2,123,122	1,061,561	2,123,122
Piggy Back Options Exercised	2,123,122	1,061,561	1,061,561	2,123,122	1,061,561	1,061,561
Total shares on issue	11,686,613	9,563,491	10,625,052	16,686,613	14,563,491	15,625,052
Dilution impact on existing shareholders	42.8%	52.3%	47.1%	59.9%	68.7%	64.0%
Existing shareholders own	57.2%	47.7%	52.9%	40.1%	31.3%	36.0%

Assumptions:

- Convertible notes – Column 2 A - assumed the first tranche of $5,000,000 is received and converted, 100% of the Bonus Options are taken up and 100% of the Piggyback Options are taken up
- Convertible notes – Column 2B - assumed the first tranche of $5,000,000 is received and converted, 50% of the Bonus Options are taken up and 50% of the Piggyback Options are taken up
- Convertible notes – Column 2C - assumed the first tranche of $5,000,000 is received and converted, 100% of the Bonus Options are taken up and 50% of the Piggyback Options are taken up

- Convertible notes – Column 3A – assumed all tranches, totalling $10,000,000 are received and converted, 100% of the Bonus Options are taken up and 100% of the Piggyback options are taken up.
- Convertible notes – Column 3B – assumed all tranches, totalling $10,000,000 are received and converted, 50% of the Bonus Options are taken up and 50% of the Piggyback options are taken up
- Convertible notes – Column 3C – assumed all tranches, totalling $10,000,000 are received and converted, 100% of the Bonus Options are taken up and 50% of the Piggyback options are taken up
- Bonus Option Issue – Columns 2A and 3A assume all Bonus Options and all Piggyback options are exercised by shareholders.
- Bonus Option Issue – Columns 2B and 3B assume 50% of the Bonus Options and 50% of the Piggyback options are exercised by shareholders.
- Bonus Options Issue – Columns 2C and 3C assume 100% of the Bonus Options and 50% of the Piggyback Options are exercised by shareholders.
- ** post share consolidation.
- No accrued interest on Convertible Notes which are converted.

Dilution Table 3 – Assuming the maximum of 20 million convertible notes are converted and various Bonus Options and Piggyback Options are exercised

	20 million Conv. Notes converted	20 million Conv. Notes converted	20 million Conv. Notes converted	20 million Conv. Notes converted	20 million Conv. Notes converted	20 million Conv. Notes converted
	Col. 2A	Col. 2B	Col. 2C	Col. 3A	Col. 3B	Col. 3C
Shares on issue	2,440,369**	2,440,369**	2,440,369**	2,440,369**	2,440,369**	2,440,369**
Offer Price / Convertible Note Price	$1.00 & $2.00	$1.00 & $2.00	$1.00 & $2.00	$1.00 & $2.00	$1.00 & $2.00	$1.00 & $2.00
Gross amount raised	$25.0 m	$25.0 m	$25.0 m	$25.0 m	$25.0 m	$25.0 m
Net amount received	$23.5 m	$23.5 m	$23.5 m	$23.5 m	$23.5 m	$23.5 m
Number of shares issued / converted	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Bonus Options Exercised	2,123,122	1,061,561	-	2,123,122	1,061,561	2,123,122
Piggyback Options Exercised	-	-	-	2,123,122	1,061,561	1,061,561
Total shares on issue	24,563,491	23,501,930	22,440,369	26,686,613	24,563,491	25,625,052
Dilution impact on existing shareholders	81.4%	85.1%	89.1%	74.9%	81.4%	78.1%
Existing shareholders own	18.6%	14.9%	10.9%	25.1%	18.6%	21.9%

Assumptions:

- Convertible notes – Column 2 A - assumed the maximum of $25,000,000 is received and converted, 100% of the Bonus Options are taken up and none of the Piggyback Options are taken up
- Convertible notes – Column 2B - assumed the maximum of $25,000,000 is received and converted, 50% of the Bonus Options are taken up and none of the Piggyback Options are taken up
- Convertible notes – Column 2C - assumed the maximum of $25,000,000 is received and converted, and none of the Bonus Options or Piggyback Options are taken up

- Convertible notes – Column 3A – assumed the maximum of $25,000,000 is received and converted and 100% of the Bonus Options and Piggyback options are taken up.
- Convertible notes – Column 3B – assumed the maximum of $25,000,000 is received and converted and 50% of the Bonus Options and Piggyback options are taken up
- Convertible notes – Column 3C – assumed the maximum of $25,000,000 is received and converted, 100% of the Bonus Options are taken up and 50% of the Piggyback options are taken up
- Bonus Option Issue – Columns 2A and 3A assume all Bonus Options and all Piggyback options are exercised by shareholders.
- Bonus Option Issue – Columns 2B and 3B assume 50% of the Bonus Options and 50% of the Piggyback options are exercised by shareholders.
- Bonus Options Issue – Columns 2C and 3C assume 100% of the Bonus Options and 50% of the Piggyback Options are exercised by shareholders.
- ** post share consolidation.
- No accrued interest on Convertible Notes which are converted.