
ASPERMONT LIMITED
ACN 000 375 048
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00pm AWST

DATE: 18 May 2023

PLACE: 613-619 Wellington Street, Perth, WA 6000

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by Moore Australia Corporate Finance (WA) Pty Ltd for the purpose of the Shareholder approval required under ASX Listing Rule 10.1 (**Lease Independent Expert's Report**). The Lease Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the transaction the subject of this Resolution is **NOT FAIR BUT REASONABLE** to the non-associate Shareholders.

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:00pm on 16 May 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF THE COMPANY’S ENTRY INTO THE LEASE AGREEMENT WITH ILLEVETER PTY LTD

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

“That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, shareholders approve the Company’s proposed entry into the lease agreement with Illeveter Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should carefully consider the Independent Expert’s Report prepared by Moore Australia Corporate Finance (WA) Pty Ltd for the purpose of the Shareholder approval required under ASX Listing Rule 10.1 (**Lease Independent Expert’s Report**). The Lease Independent Expert’s Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the transaction the subject of this Resolution 1 is **not fair but reasonable** to the non-associate Shareholders.

Voting Exclusion Statements

Resolution 1– Approval of Lease Agreement with Illeveter Pty Ltd

Illeveter Pty Ltd and any other person who will obtain a material benefit as a result of the transaction the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

2. RESOLUTION 2 – APPROVAL OF AMENDMENT TO THE COMPANY’S CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval be given that the constitution of the Company be amended in the manner set out in Explanatory Statement, with effect from the passing of this resolution.”

Dated: 13th April 2023

By order of the Board

**Tim Edwards
Company Secretary**

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

The Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary, Tim Edwards, at tim.edwards@aspermontmedia.com.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL OF THE COMPANY’S ENTRY INTO THE LEASE AGREEMENT WITH ILLEVETER PTY LTD

1.1 General

On 29 August 2022, the Company entered into a standard commercial lease agreement with Ileveter Pty Ltd (**Ileveter**), an entity controlled by Company Chairman and Executive Director, Mr Andrew Kent, for the lease of the commercial office space at 613-639 Wellington Street Perth, Western Australia (**Lease Agreement**). The rent payable by the Company under the Lease Agreement is \$250,000 per annum and the term is for one year, plus a two-year extension if approved by Shareholders. At the time of execution of the Lease Agreement, Shareholder approval was not sought because the term of the Lease Agreement was for one year, and did not exceed 5% of the equity interests of the Company, as set out in the latest accounts given to ASX under the Listing Rules. Accordingly, the entry into the Lease Agreement did not constitute an acquisition of a substantial asset under ASX Listing Rule 10.2.

Resolution 1 seeks Shareholder approval for the Company to renew the Lease Agreement for part of the first floor of the Property with some shared use of communal facilities for a further two-year period and as such, enter into a new lease with Ileveter, under the same terms as the Lease Agreement (**Proposed Lease Agreement**). Ileveter Pty Ltd is considered a related party to the Company by virtue of ASX Listing Rule 10.1.1. Accordingly, the Company seeks Shareholder approval for the Proposed Lease Agreement in accordance with Listing Rule 10.1.

The material terms and conditions of the Lease Agreement and the Proposed Lease Agreement are summarised below:

Commencement Date	1 October 2023
Term	1 year term under the Lease Agreement expiring 30 September 2023. The Proposed Lease Agreement is for a term of two (2) years commencing 1 October 2023 and expiring 30 September 2025.
Rent and other payments	\$250,000 per annum, exclusive of GST payable by monthly payments in advance and all outgoings, rates and taxes throughout the Term. There will be no rent review and rent will not increase during the Term.
Service Agreement	The Company intends to enter into a Services Agreement commencing 1 October 2023 with Ileveter whereby Ileveter will grant the Company a licence to occupy and use the facility services for the Term of the Proposed Lease Agreement for an annual licence fee of \$1.00.
Car Park Agreement	The Company intends to enter into a Car Park Agreement commencing 1 October 2023 for the use of five car park bays at the Property whereby Ileveter will grant the Company a licence to occupy and use the car park for the Term of the Proposed Lease Agreement for an annual licence fee of \$1.00.
Option	The Company shall have the option to lease the whole of the first floor of the building for a gross rental of \$330,000 per annum exclusive of GST.

	Should the Company decide to exercise the option to lease the whole of the first floor building, the Company will consider at that time whether the aggregate value of the consideration payable exceeds 5% of the equity interests of the Company, as set out in the latest accounts given to ASX under the Listing Rules, and will seek Shareholder approval in the event that it does.
Termination	llvester may give the Company twelve months written notice to terminate the Proposed Lease Agreement if it wishes to redevelop the Property.

The Proposed Lease Agreement otherwise contains provisions considered standard for an agreement of its nature.

The aggregate value of the consideration payable under the Proposed Lease Agreement for the Term above contemplated is \$500,000 plus GST, or \$750,000 including the term under the Lease Agreement.

Resolution 1 seeks Shareholder approval to enter into the Proposed Lease Agreement on the terms outlined above.

1.2 ASX Listing Rule 10.1

Listing Rule 10.1 provides that a listed entity must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to:

- 10.1.1 a related party;
 - 10.1.2 a child entity;
 - 10.1.3 a person who is, or was at any time in the 6 months before the transaction a substantial (10%) holder in the Company;
 - 10.1.4 an associate of a person referred to in Listing Rule 10.1.1 to 10.1.3; or
 - 10.1.5 a person whose relationship with the Company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by Shareholders,
- unless it obtains the approval of its Shareholders.

llvester is an entity that is controlled by Mr Andrew Kent, who is a related party of the Company by virtue of being a Director. The entry by the Company into the Proposed Lease Agreement constitutes the acquisition of a substantial asset under Listing Rule 10.2.

To determine the value of the Proposed Lease Agreement, ASX looks at the total rent payable under the lease over its term to determine whether or not it equals or exceeds 5% of the equity interests of the Company, as set out in the latest accounts given to ASX under the Listing Rules. If it does, ASX will regard the lease as a substantial asset and the transaction will require security holder approval under Listing Rule 10.1.

The Company is proposing to enter into the Proposed Lease Agreement, being a new lease, whereby the payments payable by the Company under the Proposed Lease Agreement exceed the threshold contemplated by Listing Rule 10.2 and as a result, the Proposed Lease Agreement meets the definition of a substantial asset contemplated by Listing Rule 10.2 and therefore the agreement is one to which Listing Rule 10.1 applies.

Accordingly, the entry by the Company into the Proposed Lease Agreement requires Shareholder approval which is being sought under Resolution 1.

1.3 Chapter 2E of the Corporations Act

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

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

sections 210 to 216 of the Corporations Act.

The entry into the Proposed Lease Agreement constitutes giving a financial benefit.

Ileveter is controlled by Mr Andrew Kent, who is a related party of the Company by virtue of being a Director.

In respect of Resolution 1, the Directors (other than Mr Andrew Kent who has a material personal interest in this Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Company's entry into the Proposed Lease Agreement because the agreement is on standard terms that were negotiated on an arm's length basis.

1.4 Lease Independent Expert's Report – Resolution 1

The Lease Independent Expert's Report prepared by Moore Australia Corporate Finance (WA) Pty Ltd (a copy of which is attached as Schedule 1 of this Notice) assessed whether the entering into of the Proposed Lease Agreement contemplated by this Resolution 1 (**Proposed Transaction**) is fair and reasonable to the non-associated Shareholders of the Company.

The Lease Independent Expert Report found that the Proposed Transaction **is not fair but reasonable** to the non-associated Shareholders of the Company. A leasehold interest might be reasonable, if despite not being fair, there are sufficient reasons for the non-associated shareholders of the Company to accept the offer. The key advantages and disadvantages of the Proposed Lease Agreement, as set out in the Lease Independent Expert Report at paragraph 2.17 and are as follows:

Advantages	Disadvantages
<p><i>Advantage 1 – No relocation costs incurred</i></p> <p>The Company can continue operating uninterrupted with no additional costs incurred.</p>	<p><i>Disadvantage 1 – Not fair</i></p> <p>The Proposed Transaction is not fair.</p>
<p><i>Advantage 2 – Goodwill and familiarity</i></p> <p>The Company has been operating from the Property since 2004. There</p>	<p><i>Disadvantage 2 – Availability of more modern premises</i></p> <p>Approval of the Proposed Transaction would mean that the Company forgoes</p>

<p>may be an intangible benefit associated with being located in a familiar location for customers and suppliers. This advantage would also be relevant to relocating to one of the other offices within the Property.</p>	<p>the opportunity to upgrade their office space to a more modern office building with better facilities.</p>
<p><i>Advantage 3 – No rent review</i></p> <p>The Proposed Lease Agreement does not include an annual increase in the rent payable over the two-year term. Due to increasing interest rates, comparable office spaces may experience an increase in rent. A fixed rental cost provides some cash flow certainty to the Company.</p>	<p><i>Disadvantage 3 – Potential new environment</i></p> <p>An office relocation could give the Company a sense of a fresh start, boosting the staff morale. Relocating to a new shared working environment could potentially create new opportunities.</p>
<p><i>Advantage 4 – Flexibility to expand</i></p> <p>The Company is able to opt to occupy the entire first floor of the Property, if required. Although this is an advantage if the Company were to expand and increase their headcount, due to the Company's culture of flexible work from home arrangements meaning that there is a lot of spare capacity and the short term of the Proposed Lease Agreement, we do not consider it likely that the Company will take up this option during the lease term.</p>	<p><i>Disadvantage 4 – Landlord can terminate lease</i></p> <p>Under the Proposed Lease Agreement, if any time during the term the landlord wishes to redevelop the Property, it may, upon giving the Company twelve months written notice, terminate the lease.</p>
<p><i>Advantage 5 – Service Agreement</i></p> <p>The Service Agreement provides the services and facilities associated with a fully serviced office space. This has significant benefits to the Company as they do not have to arrange and pay for occupancy related costs such as furniture, WIFI, cleaning, printers etc.</p>	<p><i>Disadvantage 5 – Extra capacity</i></p> <p>The Proposed Lease Agreement is for 207sqm which includes 35 workstations, the current maximum required for the Company's 35 staff members. Due to the culture of flexible work from home arrangements, there are often a number of unoccupied desks each day. The Company could lease a smaller office area with fewer workstations at a lower cost without any significant impact on its staff members.</p>
<p><i>Advantage 6 – Private Space</i></p> <p>The Property per the Proposed Transaction is a private and secure office space with 35 workstations, which means there is no requirement for hot desking. We note that one of the other office spaces within the Property is a comparable size office with the same level of privacy and security.</p>	<p><i>Disadvantage 6 – Expensive location</i></p> <p>The Property is located within the Perth CBD, this would be considered premium office location and therefore subject to premium pricing. The Company does not rely on its location for customers or certain working requirements, and as such could rent office space in a less expensive location.</p>
<p><i>Advantage 7 – Car bays on site</i></p>	<p><i>Disadvantage 7 – Empty building</i></p>

<p>The Car Park Agreement includes the use of five undercover car bays on site. Most other serviced offices do not provide onsite parking. We note that the other office areas within the same Property include the option to lease the same car parking bays at the Property.</p>	<p>Currently the other two private office spaces in the Property are unoccupied. The empty office space may create a low sense of morale.</p>
<p><i>Advantage 8 – Storage Area</i></p> <p>The Property includes exclusive access to a secure storage area on site.</p>	

Further, the Lease Independent Expert's Report held the view that if the Proposed Transaction is approved, the position of the non-associated Shareholders of the Company is more advantageous than if the position is not approved.

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

1.5 Technical information required by Listing Rule 14.1A

If Resolution 1 is not passed, the Company will not be able enter into the Proposed Lease Agreement and will be required to search for a new office upon expiration of the term under the Lease Agreement on 30 September 2023.

If Resolution 1 is passed, the Proposed Lease Agreement will be executed and will operate until expiry on 30 September 2025 or is otherwise terminated.

1.6 Technical information required by Listing Rule 10.5

Pursuant to and in accordance with ASX Listing Rule 10.5, the following information is provided in relation to the Company's entry into the Proposed Lease Agreement:

- (a) the Company intends to acquire a substantial asset (being the Proposed Lease Agreement) from Ileveter;
- (b) Ileveter is a related party of the Company by virtue of being an entity controlled by Mr Andrew Kent, a Director and Chairman of the Company. Accordingly, Ileveter falls within the category of persons in Listing Rule 10.1.1;
- (c) the asset being acquired by the Company from Ileveter is the lease under the Proposed Lease Agreement;
- (d) the consideration payable under the Proposed Lease Agreement is \$250,000 (plus GST) per annum (total of \$750,000 plus GST for the Term of the Proposed Lease Agreement including the term under the Lease Agreement) which was determined by Moore Australia Corporate Finance (WA) Pty Ltd to be within the market range of comparable serviced offices, but above the average and preferred market rate;
- (e) rent will be paid as part of the Company's standard administrative expenses under the Proposed Lease Agreement;

- (f) the term of the Proposed Lease Agreement is from 1 October 2023 to 30 September 2025;
- (g) the Proposed Lease Agreement is summarised in Section 1.1;
- (h) a voting exclusion statement is included in this Notice for Resolution 1; and
- (i) the Lease Independent Expert's Report is annexed to this Notice at Schedule 1.

2. RESOLUTION 2 – APPROVAL OF AMENDMENT TO THE COMPANY'S CONSTITUTION

2.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 2 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to insert an additional clause 14, which permits the use of technology at general meetings, including wholly virtual meetings, to the extent permitted under the Corporations Act, Listing Rules and applicable law as follows:

14. USE OF TECHNOLOGY AT GENERAL MEETINGS

14.1 *Use of technology*

- (a) *To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, a general meeting may be convened using virtual technology only, or at two or more venues, provided that the form of technology used provides all shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.*
- (b) *The provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes to ensure compliance with the Corporations Act, Listing Rules and any other applicable law, to general meetings held using that technology.*
- (c) *Where a general meeting is held using virtual technology only or at two or more venues using any form of technology:*
 - (i) *a Shareholder participating in the meeting is taken to be present in person at the meeting;*
 - (ii) *any documents required or permitted to be tabled at the meeting will be taken to have been tabled at the meeting if the document is given, or*

made available, to the persons entitled to attend the meeting (whether physically or using technology) before or during the meeting; and

- (iii) the meeting is taken to be held at the physical venue set out in the notice of meeting, or at the registered office of the Company if the meeting is held using virtual technology only.*

14.2 *Communication of meeting documents*

To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, any document that is required or permitted to be given to a Shareholder that relates to a Shareholders' meeting (including, but not limited to, the notice of meeting) may be distributed:

- (a) by means of electronic communication; or*
- (b) by giving the Shareholder (by means of an electronic communication or otherwise) sufficient information to allow the person to access the document electronically,*

in accordance with the Corporations Act.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Aspermont Limited (ACN 000 375 048).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – INDEPENDENT EXPERT REPORT – LEASE AGREEMENT

Aspermont Limited

Independent Expert's Report and Financial Services Guide

20 February 2023

**The Proposed Transaction is not fair but reasonable to the
Non-Associated Shareholders of Aspermont Limited.**

**Prepared by Moore Australia Corporate Finance (WA) Pty Ltd
Australian Financial Services License No. 240773**



MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD
Australian Financial Services License No. 240773
FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Expert's Report for the lease arrangement between Ileveter Pty Ltd ("Ileveter"), a related party of Mr Andrew Kent, and Aspermont Limited ("Aspermont") (the "Proposed Transaction").

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of Aspermont to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is "fair and reasonable" to the shareholders of Aspermont.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you, we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$15,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities, but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

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

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia, Chartered Accountants. MACF's contact details are set out on our letterhead. The directors of MACF may also be partners in Moore Australia Chartered Accountants.

Moore Australia, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF has previously provided Employee Performance Rights valuation professional services to Aspermont for a total of \$6,310 (excluding GST) over the last two years.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia Corporate Finance (WA) Pty Ltd, PO Box 5785, St Georges Terrace, Perth WA 6831.

On receipt of a written complaint, we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
 GPO Box 3
 Melbourne VIC 3001
 Toll free: 1800 931 678
 Facsimile: 03 9613 6399
 Email: info@afca.org.au

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24 February 2023

The Directors
Aspermont Limited
613-619 Wellington Street
Perth WA 6000
AUSTRALIA

Dear Directors

Independent Expert's Report

1. Introduction

- 1.1 This Independent Expert's Report ("IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Aspermont Limited ("Aspermont" or "the Company") at which shareholder approval will be sought for the Lease Agreement between Ileveter Pty Ltd ("Ileveter"), a related party of Mr Andrew Kent, and Aspermont Limited ("Aspermont") (the "Proposed Transaction"). Mr Kent is the Chairman of Aspermont.
- 1.2 Further details of the Proposed Transaction are set out in Section 3.

2. Summary & Opinion

Purpose of the Report

- 2.1 According to RG 76, a related party transaction is any transaction through which a public company provides a financial benefit to a related party. As noted in RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.
- 2.2 RG 76 refers to RG 111 and RG 112 for guidance on how the independent expert should assess related party transactions.
- 2.3 Listing rule 10.1 requires the approval of the Company's shareholders where it is proposed to acquire a "substantial asset" from, or to dispose of a "substantial asset" to a related party, or an associate of a related party of the Company.
- 2.4 A substantial asset includes those with a value greater than 5% of the total equity interests of the entity at the date of the last set of financial statements provided to the ASX. To determine the value of the leasehold interest, ASX looks at the rent payable under the lease over its term (including any option to renew) to determine whether or not it equals or exceeds 5% of the equity interest of the Company.
- 2.5 The Directors of Aspermont have engaged Moore Australia Corporate Finance (WA) Pty Ltd ("MACF" or "Moore Australia") being independent and qualified for the purpose, to prepare an Independent Expert's Report to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the shareholders of Aspermont not associated with the Proposed Transaction (the "Non-Associated Shareholders").
- 2.6 Our assessment of the Proposed Transaction relies on information and instructions provided by the Company and the Directors. We have critically analysed the information provided to us, but we have not completed any audit or due diligence of the information which has been provided. This report does not contain any accounting or taxation advice.

Approach

- 2.7 Our report has been prepared having regard to Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 111 Content of Expert’s Reports (“RG 111”) and Regulatory Guide 112 Independence of Expert’s (“RG 112”)
- 2.8 RG 111 provides guidance in relation to the content of independent expert reports prepared for a range of transactions. RG 111 notes that a related party transaction is:
- fair, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the benefit being received. In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the proposed transaction.
 - reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should vote in favour of the transaction.
- 2.9 RG 112 primarily focuses on the independence of experts and provides little guidance on evaluating transactions.
- 2.10 In evaluating whether or not the Proposed Transaction is fair and reasonable to Non-Associated Shareholders, pursuant to Listing Rule 10.1, we have made a separate assessment of whether, or not, the Proposed Transaction is ‘fair’ and ‘reasonable’ as required by RG 111.56.
- 2.11 We have taken into account the following factors in determining whether, or not, the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders:

Fairness

- whether the fair market rental for the Property is more favourable or less favourable than the actual rent paid by Aspermont; and
- whether the terms of the Lease Agreement are greater than or less than normal market terms.

Reasonableness

- advantages and disadvantages of the Proposed Transaction;
 - the current circumstance of Aspermont; and
 - any alternatives to the Proposed Transaction available and the consequences of those alternatives.
- 2.12 Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 7 of this Report.

Summary

- 2.13 In our opinion the Proposed Transaction is not fair but reasonable. In arriving at this opinion, we have had regard to the following factors:

The Proposed Transaction is Not Fair

- 2.14 According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Transaction is fair, the independent expert is required to compare the value of the financial consideration being received by Ileveter to the benefit being provided to Aspermont. The benefit being offered to Aspermont is the use of the Property. The consideration being received by Ileveter is the rent payable by Aspermont.

Comparison of Market Rent with the Proposed Transaction Rent

	Unit	Section	Low (\$)	High (\$)	Avg (\$)
Aspermont Rent per annum	\$/annum	3	250,000	250,000	250,000
Other Office Areas within the same Property per annum (inclusive of estimated cost of additional services)	\$/annum	7	232,260	232,260	232,260
Comparable Serviced Office Rent per annum (including car bays)	\$/annum	7	154,500	447,408	242,051

Source: MACF analysis

2.15 The rent per annum payable by Aspermont under the Proposed Transaction is within the market range of comparable serviced offices, but above the average and preferred market rate. The rent payable by Aspermont under the Proposed Transaction is more than the rent advertised as payable by third parties for the remaining office areas within the Property. We note that the rent payable for the Other Office Areas in the same Property are stated above on a fully serviced basis using an estimate of the annual cost of providing the additional services, excluding repair and maintenance costs. We have reviewed the additional services provided to Aspermont under the Proposed Transaction, which are specifically tailored to the operational requirements of Aspermont and consider that the rent payable under the Proposed Transaction outweighs the benefits associated with the additional services. Therefore, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Aspermont.

The Proposed Transaction is Reasonable

2.16 In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. An offer might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for Non-Associated Shareholders to accept the offer in the absence of any higher bid before the close of the offer. We have considered the following factors in assessing the reasonableness of the Proposed Transaction in Section 9 of this report, in terms of both:

- Advantages and disadvantages of the Proposed Transaction;
- Other considerations, including alternative leasing options for Aspermont if the Proposed Transaction did not proceed.

2.17 The advantages and disadvantages considered are summarised below.

Advantages

- No relocation costs
- No business disruption from relocation
- No rent review
- Goodwill and familiarity associated with the Property
- Car bays undercover and on site
- Flexibility to expand to the entire first floor
- Property is fully serviced, with services provided tailored to the operational requirements of Aspermont
- Office Area is private and secure with enough workstations for all staff
- Includes exclusive access to Storage Area

Disadvantages

- Proposed Transaction is not fair
- Aspermont could move to other office space within the same Property for less cost and minimal disruption to business
- Availability of more modern premises with better facilities elsewhere
- A serviced office with better quality facilities may boost staff morale
- Ileveter can terminate the lease with twelve months' notice
- The Office Area under the Lease Agreement is surplus to current requirements
- The rest of the Property remains empty
- Aspermont can operate from a less expensive location

Alternative options

- 2.18 The commercial property market in Perth remains stable, with high vacancies expected to continue. As a result, tenants are using the current environment to upgrade or seek higher quality spaces. In relation to Aspermont, there are a number of alternative serviced office buildings that are available for lease currently at lower cost and with better quality facilities.
- 2.19 The two other office areas within the same Property are currently available for lease from Ileveter for less than the rent payable by Aspermont in the Lease Agreement. These offices are directly comparable to the Office Space under the Proposed Transaction as they are within the same building, are comparable in size and have access to the same adjacent car park spaces as under the Lease Agreement. We note however that these office areas are offered not fully serviced.

Conclusion on reasonableness

- 2.20 We note that the current Lease Agreement includes a number of features that make it attractive to Aspermont including fixed rental cost with no rent review over the life of the lease, flexibility to expand as required, and the use of undercover car bays attached to the Property.
- 2.21 Whilst we consider that the Proposed Transaction is not fair, we do note that the estimate of additional services provided does not include the cost of non-structural repairs and maintenance works, which are difficult to estimate with any accuracy. We note that the difference between the rent payable by Aspermont and the estimated fully serviced rent payable in the Other Office Areas is approximately \$17,700. Should any significant non-structural repairs be required during the Lease Term, these costs might exceed the additional \$17,700 payable by Aspermont, in which case the Proposed Transaction would be fair.
- 2.22 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved, is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information, we consider that the Proposed Transaction is reasonable for the Non-Associated Shareholders of Aspermont.
- 2.23 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

3. SUMMARY OF TRANSACTION

- 3.1 On 19 April 2004, Aspermont entered into a lease for the entire property at 613-619 Wellington Street Perth (the "Property"), with Ileveter Pty Ltd ("Ileveter"), a company associated with the Chairman of Aspermont, Mr Andrew Kent. The lease was renewed in 2008, 2009, 2012 and 2017 for a five year term to 30 September 2022.
- 3.2 On 29 August 2022, a new lease was entered into commencing 1 October 2022 for a one-year term for part of the first floor of the Property with some shared use of communal facilities and expiring on 30 September 2023. This lease includes an option to renew for a further two years to 30 September 2025 (subject to shareholder approval).

- 3.3 On 1 October 2022, Aspermont entered into a Non-Exclusive Licence Agreement for a Shared Office Space with Ileveter. This agreement sets out the terms for the use of shared services provided to Aspermont by Ileveter at the Property for a Licence Fee of \$1 per annum.
- 3.4 Aspermont is proposing to enter into a new lease (the “Lease Agreement”) and new Non-Exclusive Licence Agreement for a Shared Office Space (the “Services Agreement”) for two years from 1 October 2023 to 30 September 2025 under the same terms as the lease for the one year to 30 September 2023. Aspermont is also proposing to enter into a Car Park Licence Agreement (the “Car Park Agreement”) with Ileveter for the period of the Lease Agreement for the use of five car park bays at the Property.
- 3.5 The Lease Agreement, Service Agreement and Car Park Agreement are not stated as being conditional on each other, although due to the nature of the shared office space in the Lease Agreement, it cannot operate in isolation of the Service Agreement. In addition, the services provided by Ileveter under the Service Agreement are substantial and are provided for a nominal fee of \$1 per annum. The five car parking bays provided under the Car Park Agreement are provided for a nominal fee of \$0.01 per bay per month. As such, it is considered highly unlikely that Aspermont would enter into the Lease Agreement without also entering into the Service Agreement and the Car Park Agreement. We have therefore considered the Lease Agreement, Service Agreement and Car Park Agreement in our assessment of the Proposed Transaction.

Key terms of the Proposed Transaction

3.6 The key terms of the Lease Agreement include the following:

- Rental of:
 - part of the first floor of the Property, being an area of approximately 201m² (“Office Area”);
 - part of the first floor of the Property, being an area of approximately 44m² (“Storage Area”); and
 - part of the ground floor of the Property, being an area of approximately 6m² (“Boardroom”).
- Term of two years commencing 1 October 2023 to 30 September 2025;
- Rent of \$250,000 per annum exclusive of GST payable monthly in advance with no rent review;
- Ileveter may give Aspermont twelve months written notice to terminate the Lease Agreement if it wishes to redevelop the Property (“Special Condition”); and
- Aspermont has the option to lease the whole of the first floor of the Property for a gross rental of \$330,000 per annum exclusive of GST.

3.7 The key terms of the Service Agreement include the following:

- Licence Fee payable of \$1 per annum;
- Term of two years from 1 October 2023 to 30 September 2025;
- Services provided by Ileveter including:
 - Non-exclusive access to and use of communal areas in the Property including meeting rooms, bathrooms, kitchen (“Shared Areas”),
 - Secure access to the Property and Office Area;
 - The use of at least one meeting room with TV screen and video conferencing capability;
 - Regular maintenance of the Property;
 - Regular cleaning of the Property (including both the Office Area and Shared Areas);
 - Furnishings including workstations;
 - Heat and Airconditioning;

- Electricity;
- Use of WIFI (minimum 1GB with a guaranteed 100MB upload and download speed);
- Private VLAN; and
- Use of printers, copiers and scanners with an annual allowance of \$2,500, after which printer consumables are charged on a per page basis.

3.8 The key terms of the Car Park Agreement include the following:

- Five undercover car parking bays at the Property;
- Licence Fee payable of \$0.01 per bay per month; and
- Term of the Lease Agreement (being two years from 1 October 2023 to 30 September 2025).

Rent

3.9 Based on the terms of the Lease Agreement, Service Agreement and Car Park Agreement, the rent payable per annum over the term of the Lease Agreement is as follows:

	2024	2025
Rent per annum (\$)	250,000	250,000

4. SCOPE OF THE REPORT

Purpose of the Report

4.1 Aspermont proposed to enter into the Lease Agreement, Service Agreement and Car Park Agreement with Ileveter Pty Ltd, a related party of Mr Andrew Kent, the Chairman of Aspermont. The Lease Agreement is for the Office Area and Storage Area at the Property. The Service Agreement covers the provision of services by Ileveter to the Property and the Car Park Agreement is for the lease of five car park bays at the Property.

Regulatory guidance

4.2 Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.

4.3 According to RG 76, a related party transaction is any transaction through which a public company provides a financial benefit to a related party. As noted in RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.

4.4 Listing rule 10.1 states that an entity must ensure that neither the entity, nor any of its child entities, acquires or agrees to acquire a "substantial asset" from, or disposes of or agrees to dispose of a "substantial asset" to a related party entity without the approval of the holders of the entity's ordinary securities.

4.5 A substantial asset includes those with a value greater than 5% of the total equity interests of the entity at the date of the last set of financial statements provided to the ASX. To determine the value of the leasehold interest, ASX looks at the rent payable under the lease over its term (including any option to renew) to determine whether or not it equals or exceeds 5% of the equity interest of the Company.

4.6 RG 76 refers to RG 111 and RG 112 for guidance on how the independent expert should assess related party transactions.

Adopted basis of evaluation

- 4.7 RG 111 states that, in order to assess whether the Proposed Transaction is fair, the independent expert is required to compare the value of the financial consideration being received, compared to the value of the financial benefit. This comparison should be made assuming knowledgeable and willing, but not anxious, participants.
- 4.8 Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for Non-Associated Shareholders to accept the Proposed Transaction in the absence of any superior alternative.
- 4.9 Having regard to the above, MACF has completed this comparison in two parts:
- A comparison between the terms of the Proposed Transaction and fair market terms based on similar properties available for lease (fairness – see Section 8 – Assessment of Fairness); and
 - An investigation into other significant factors to which Non-Associated Shareholders might give consideration, prior to accepting the Proposed Transaction, after reference to the result above (reasonableness – see Section 9 – Assessment of Reasonableness).

Valuation Approaches Adopted

- 4.10 We have assessed the value of the Proposed Transaction utilising the Market Approach methodology. We have considered all other valuation methodologies and their applicability to the Proposed Transaction but, in our opinion, no other methodology is as appropriate.
- 4.11 A breakdown and definition of the Market Approach methodology and other Valuation Methodologies are listed in Appendix B.

5. PROFILE OF ASPERMONT LIMITED

Background

- 5.1 Aspermont is a public company which was incorporated in 1961 and is based in Perth, Australia. The Company was listed on the Australian Securities Exchange (ASX: ASP) in 2000 and is also listed on the Frankfurt Stock Exchange (FRA:00W). The Company has offices in the United Kingdom, Australia, Brazil, USA, Canada, the Philippines and Singapore.
- 5.2 Aspermont provides market specific content across the resource sectors through a combination of print, digital media channels, and face to face networking channels in Australia and internationally. The Company offers industry news and information for various sectors, such as mining, investment, energy, and agriculture; Mining Journal, a digital and print information service; and content creation services, as well as runs various industry events and conferences. It also provides commercial model for B2B media, which offers high value content to subscriber base.¹
- 5.3 Aspermont has three integrated business models, Content, Data and Services. These business models are versatile and are scalable into new sectors and countries. Aspermont focusses on building high quality content to assure recurring and resilient long-term revenue and good gross margins.

¹ S&P Capital IQ - 2022

5.4 Presented in Aspermont’s recently released Annual Report for the year ended 30 June 2022, is a list of objectives that the Company has set out to achieve in 2023. These objectives aim to guide the growth of the Company during the next 12 months:

- Revenue growth through growth in Subscriptions, Data Works, Content Works and Events.
- Expansion of senior leadership team and overall headcount.
- Moderate retraction in margins as Aspermont accelerates operational capacity.
- Retractions in EBITDA and operating cashflow on a reported basis, but continued growth in both on a normalised basis, accounting for the inward investment program.
- Net cash balances to remain above \$4m as a safeguard.
- First generation launch of Skywave, Esperanto, and Archives.

5.5 Aspermont has approximately 35 employees based in Perth, with employees regularly working from home as desired.

Financial Highlights

5.6 Presented below is a summary of Aspermont’s financial performance and financial position, for the years ended 30 September 2021 and 2022. These figures have been sourced from the audited 2022 Annual Report.

Financial Highlights		
	FY22	FY21
Total Revenue	\$18.7m	\$16.1m
Gross Profit	\$12.0m	\$10.5m
Gross Margins	64%	65%
EBITDA	\$2.3m	\$1.6m
EBITDA Margin	12%	10%
Cashflow from Operations	\$1.4m	\$2.6m
Net Profit after Tax	(\$0.4m)	\$0.1m
Cash & Cash Equivalents	\$6.6m	\$7.0m
Net Liquidity	\$4.7m	\$3.3m

Share Structure

5.7 As at 30 September 2022, Aspermont had 2,429,192,981 ordinary shares on issue, which are held by 424 individual shareholders.

5.8 The distribution of ordinary shares as at 30 September 2022 is outlined below, grouped by the size of shares held.

Distribution of Shareholders Number	
Category (size of holding)	Number of shareholders
1-1,000	25
1,001 – 5,000	4
5,001 – 10,000	13
10,001 – 100,000	114
100,001 – and over	268
Total	424

5.9 The top 10 ordinary shareholders as at 30 September 2022 are listed below.

Position	Holder Name	Number of Ordinary fully paid shares held	% Held of Issued Ordinary Capital
1	Drysdale Investments Limited	329,996,116	13.58
2	BNP Paribas Nominees Pty Ltd	284,954,287	11.73
3	White Rabbit Ventures	270,681,877	11.14
4	Allandale Holdings Pty Ltd	240,698,661	9.91
5	Annis Trading Limited	171,183,375	7.05
6	HSBC Custody Nominees	150,231,741	6.18
7	Allan Dale Real Estate Pty Ltd	108,048,870	4.45
8	Blue Sea Investment Holdings Pty Ltd	87,276,787	3.59
9	Ginga Pty Ltd	67,919,452	2.80
10	Mr John Stark & Mrs Julie Stark	54,357,000	2.24

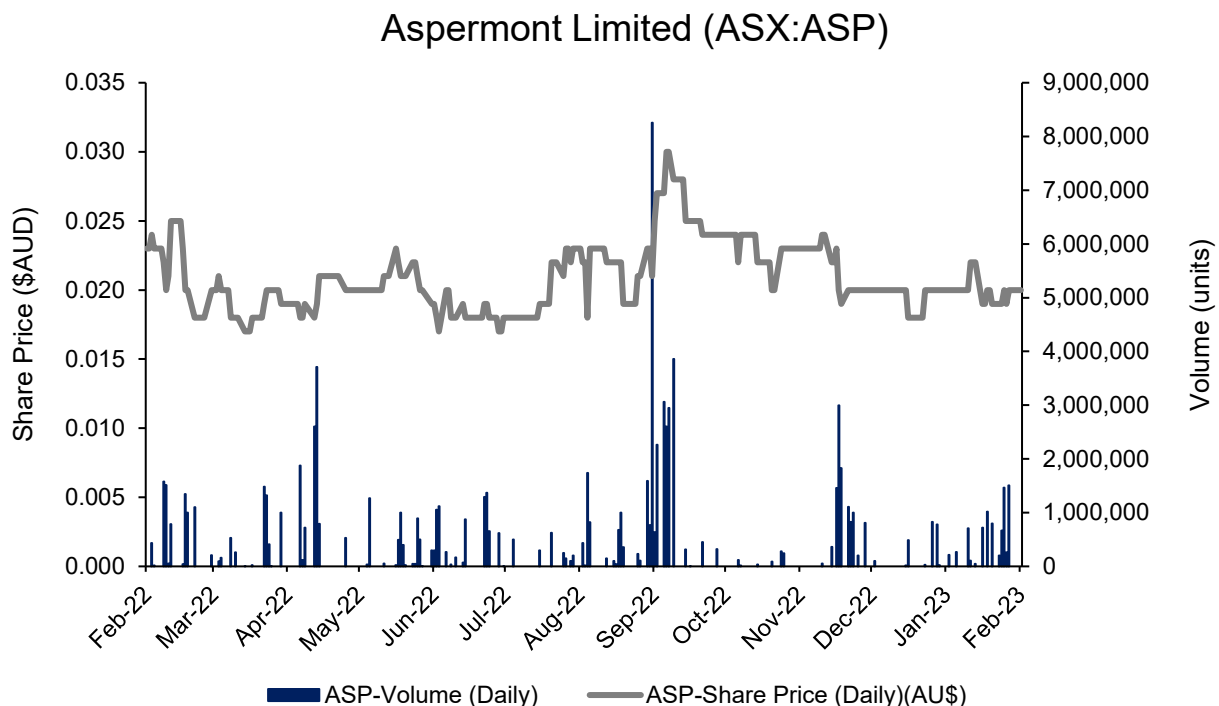
5.10 Aspermont has a few notable substantial shareholders, who hold shares through multiple different companies. These substantial shareholders as at 30 September 2022 have been outlined in the table below.

Name	Number of Ordinary fully paid shares held	% Held of Issued Ordinary Capital
Mr. Andrew Kent and beneficial interests	589,092,951	24.25
Mr. John Stark and beneficial interests	408,708,103	16.83
Mr. Alex Kent and beneficial interests	271,357,877	11.17
Mrs. T Klinger and beneficial interests	142,537,973	5.87

Trading Activity

5.11 On 14 February 2023, Aspermont had a share price of \$0.020 and a market capitalisation of \$48.62m.

5.12 Presented below is a graph containing the closing share price of Aspermont on the ASX, and the volume of shares traded on a daily basis, for the 12 months to 14 February 2023. The stock experienced a high volume of trades, along with a share price increase to a high of \$0.030 in early September 2022, on the announcement of financial results for the quarter then ended. Subsequent to this peak, the share price has declined to around the \$0.020.



Board of Directors

5.13 The current Board of Directors are:

Name	Title	Experience
Andrew Kent	Chairman and Non-Executive Director.	Mr Kent is a business manager and corporate advisor with over 30 years of experience in international equities and media. Mr Kent was the CEO of Aspermont from 2000 to 2005 and holds considerable knowledge of its products and the market landscape. Mr Kent joined the Board in 1998 and is a member of the Australian institute of Company Directors.
John Stark	Alternate Director	Mr Stark is a business manager with experience and interest across various listed and unlisted companies. Mr Stark has been a member of the Board since 2000 and was appointed Alternative Director to Mr Andrew Kent on the 26 May 2018.
Alex Kent	Managing Director	Since joining the company in 2007, Mr Kent has worked across all divisions of Aspermont. During this time, he has built up an extensive knowledge of its product portfolio and has been a key influencer in the overall business. He is currently the Group's Managing Director but has held previous executive roles in both marketing and digital strategy. Mr Kent holds a BSc in Economics, Accounting and Business Law.
Geoffrey Donohue	Lead Independent Director	Mr Donohue has over 30 years' experience at both board and senior management level within public companies and the security industry. Mr Donohue holds a Bachelor of Commerce from James Cook University of North Queensland, Graduate Diploma in Financial Analysis from the Securities Institute of Australia and is a Certified Practicing Accountant.
Tricia Klinger	Non-Executive Director	Ms Klinger has over 20 years leadership experience in digital marketing and communications, publications and sponsorship with high profile brands in Asia and Australia. Ms Klinger is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics and a Master of Commerce in Marketing.
Dean Felton	Non-Executive Director	Mr Felton has over 25 years of mining industry experience with senior management and consulting roles at Rio Tinto, BHP nd Vale. Mr Felton brings capital and technological expertise to Aspermont from his recent senior management roles at Ernst & Young and Accenture.

Property Overview

5.14 The Property is located in the Perth CBD. The location is a 15-minute walk from Perth train station, making it easy access for public transport commuter, and is also within walking distance of RAC Arena, Hay Street, and St Georges Terrace.

5.15 Aspermont previously leased the full 1,058sqm of the Property until the five-year lease term concluded on 30 September 2022. The Property has 25 car parking spaces directly behind the building.

5.16 Ileveter refurbished and fit out the Property towards the end of 2022. The refurbishment involved the division of floor space into three separate sections with shared meeting rooms, bathroom and kitchen facilities. The remaining two office spaces are currently empty and advertised as available for lease.

5.17 Under the Proposed Transaction, the Property is leased as a serviced office space with regular cleaning and maintenance, the provision of furnishings and workstations, light and heat, WIFI, data, and the use of the printers, scanners and video conferencing in meeting rooms.

6. INDUSTRY ANALYSIS

Australia

- 6.1 The trading conditions for the Office Property Operators industry have been volatile over the past five years. There has been an increase in the number of non-manual employees in the workforce and total capital expenditure by the private sector has supported the demand for offices. Periods of negative business confidence have discouraged expanding tenant's operations and reduced their demand for office space.²
- 6.2 In 2020, office lease demand slowed substantially in the Asia Pacific region amid severe economic disruption caused by the spread of COVID-19. Since then, there has been a gradual return to the office.³
- 6.3 Leasing activity strengthened across all Australian capital cities during Q3 of 2022 as employees return to the office. There are several headwinds including slower economic growth, rising inflation, and worries about a potential recession in 2023 that is likely to impact demand in the coming months. There has also been an upward pressure on construction costs, meaning that new projects are more costly, forcing landlords to increase rents.
- 6.4 The six months to late 2022 outlook predicts the rent and vacancy to rise as the supply of office space remains unchanged. Tenants throughout Australia are expected to continue to pay a premium for prime buildings, although the size requirements tend to be smaller. Headwinds of slower economic growth, rising inflation and potential recession in 2023 could weigh on leasing in the near future.

Western Australia

- 6.5 The Perth commercial office market improved throughout 2022, as the centralisation of tenants from outer suburban markets as well as new business entrants into the Perth market were significant contributors in early 2022.
- 6.6 With high vacancies in Perth, and new developments in the pipeline, the demand for office space is likely to be led by the mining and professional services sector.

² IBISWorld Industry Report – Office Property Operators in Australia, February 2022, Darcy Gannon

³ CBRE – Q3 2022 Asia Pacific Office Trends, 25 November 2022

6.7 The vacancy rate in the Perth CBD for the first quarter of 2022 was 19.7%, a 0.6% increase since the end of 2021, primarily caused by the completion of new office stock during the quarter.⁴

Perth CBD Key Indicators

Perth CBD	Premium		A Grade		B Grade	
	Low	High	Low	High	Low	High
Rental - Gross Face (\$/sq m)	845	945	740	840	475	675
Rental - Net Face (\$/sq m)	650	750	550	650	300	500
Incentive Level - Net	45.0%	50.0%	47.5%	52.5%	50.0%	58.0%
Rental - Net Effective (\$/sqm)	340	395	275	325	140	230
Outgoings - Operating (\$/sqm)	130	140	120	135	105	120
Outgoings - Statutory (\$/sqm)	55	65	55	65	55	65
Outgoings - Total (\$/sqm)	185	205	175	200	160	185
Typical Lease Term (yrs)	7	10	5	10	3	5
Yield - Market (%)	5.25	6.00	5.75	7.25	6.75	7.75
IRR (%)	6.50	7.00	6.75	7.50	7.00	8.00
Cars Permanent Reserved (\$/pcm)	675	775	650	700	450	650
Cars Permanent (\$/pcm)	675	775	650	700	450	650
Capital Values (\$/sqm)	10,000	14,000	8,000	10,000	4,000	7,000

Source: Savills Research Australia: Quarter Time National Office Q2/2021

7. ASSESSMENT OF COMPARABLE MARKET RENT

7.1 In assessing the Proposed Transaction, we have utilised the Market Approach method (comparable market transactions) as our primary approach.

7.2 Considering that the Proposed Transaction considers the Lease Agreement, Service Agreement and Car Park Agreement, we have used fully serviced office spaces as our comparable options in our assessment. Where no car parking spaces are provided under comparable lease arrangements, we have added the market value of five car parking bays to the overall market rate rent in our analysis.

Comparable Serviced Offices

7.3 Given the current number of staff employed at Aspermont, and the flexible staffing arrangement at the Perth office, a co-working environment could provide the hot desk flexibility while renting less area space and efficiently utilise the amount spent on rent.

7.4 Based on our analysis of comparable serviced office spaces in Perth (including five car bays), we consider an appropriate comparable annual rental cost to be in the range of \$154,500 to \$447,408, with an average of \$220,920.

Market Rates for Serviced Offices

	Ref	Low (\$)	High (\$)	Avg (\$)	Preferred (\$)
Serviced Office Market Rent per annum	7.4	136,500	418,608	219,119	192,120
Market rent for 5 car bays per annum	7.8	18,000	28,800	22,932	28,800
Total comparable rent per annum		154,500	447,408	242,051	220,920

7.5 The majority of serviced office space in Perth is on a co-working basis. We note that whilst most serviced office space involve co-working spaces with private meeting areas included in their rates, currently the Property provides an overall more private working environment. As such, for our preferred market rate we have used the calculation based on the cost of a WeWork private office

⁴ JIL – Office Market Review Q1 2022, 10 May 2022

space. We note that at the date of this Report, this office space was available for lease. We also note that the office space is subject to a discount if a lessee is able to commit to a period of six months or more. As we are not able to quantify the discount, we have not included an estimate of the discount in our calculation above.

7.6 We note that the comparable serviced offices reviewed did not include car parking spaces as part of their lease arrangement and as such we have included the fair market value of five car parking spaces in Perth CBD in our analysis as a separate cost.

Comparable Serviced Office Space

7.7 In selecting the appropriate market rent, we have considered comparable serviced office buildings based on the following criteria:

- Location within 10km of the Perth CBD;
- Full time access;
- Quality of office features and facilities, including office grade;
- Office layout and lettable office space;
- Number of car bays available;
- Similar rental terms, including flexibility;
- Provision of services provided by the landlord including cleaning, maintenance, light and heat, WIFI; and
- Provision of furniture and equipment by the landlord including workstations and meeting rooms with video conferencing.

7.8 The table below sets out the office rental costs for serviced office space comparable to the Property. A brief description of each property is set out at Appendix C.

Company	Location	No of days per week	Rent/ Month (\$)	Total cost per annum (\$)
We Work – Coworking Space	Perth CBD	5	325pp	136,500
WeWork – private office for 30 persons plus 5 coworking spaces*	Perth CBD	5	15,360+ 130pp	192,120
Core Hub – Full Time	Perth CBD	5	500pp	210,000
Liberty Flexible Workspaces – Fulltime	Perth CBD	5	599pp	251,580
Liberty Flexible Workspaces – Fulltime	Burswood	5	399pp	167,580
Liberty Flexible Workspaces – Fulltime	Perth CBD	5	499pp	209,580
Claisebrook Design Community	Perth CBD	5	440pp	184,800
Regus – Havelock Street	West Perth	5	367pp	154,140
Regus – Wentworth Building	Perth CBD	5	510pp	214,200
Regus – St Martins Tower	Perth CBD	5	443pp	186,060
Regus – Forrest Centre Private Office for 30 persons plus 5 coworking spaces	Perth CBD	5	20,635+ 469pp	275,760
Regus – Wentworth Private Office for 30 persons plus 5 coworking spaces	Perth CBD	5	31,789+ 619pp	418,608
IWG – private office for 30 persons	Perth CBD	5	20,635	247,620
Average			522pp	219,119
Median			499pp	209,580
Maximum			997pp	418,608
Minimum			325pp	136,500

*based on a month to month rental. Eligible for a discount if committed to for more than six months. We have not included the discount for the purposes of this valuation. We note that this office is available from 1 February 2023 at the date of enquiry (12 January 2023)

7.9 The table below sets out the car parking bays cost for comparable parking spots near Perth CBD which would be additional expense on top of the serviced office rental cost listed above. We note that the parking spots below are on a first come first served basis and are not for a dedicated bay adjacent to the office space.

Company	Monthly cost per bay (\$)	No of bays	Total cost per annum (\$)
ParkHound – Basement	416	5	24,960
Perth convention centre	480	5	28,800
His Majesty's	395	5	23,700
Pier Street	300	5	18,000
Elder Street	320	5	19,200
Average	382		22,932
Median	395		23,700
Maximum	480		28,800
Minimum	300		18,000

Other Office Areas within the Property

7.10 The Property is subdivided into three office areas, all of comparable size and to the same standard of refurbishment. All offices have access to the shared areas within the Property. At the date of this report, the other two office areas are advertised as available for lease to third parties. We have summarised the terms in the table below:

Lease terms for the other office spaces	Ground floor office	First floor office
Office area	200 sqm	180 sqm
Rent payable per SQM (\$)	450	450
Outgoings payable per SQM (\$)	230	230
Rent payable per car parking bays per month (\$)	450	450
Outgoings payable per car parking bay per month (\$)	75	75

7.11 We have calculated the annual cost of the other office areas in the table below assuming a lease area of 207 sqm (as per the Proposed Transaction, being the Office Area and Boardroom) and assuming no rent review for two years (being the lease term in the Proposed Transaction).

	2024	2025
Rent payable for 207 sqm (\$)	93,150	93,150
Outgoings payable for 207 sqm (\$)	47,610	47,610
Rent payable for five car parking bays (\$)	27,000	27,000
Outgoings payable for five car parking bays (\$)	4,500	4,500
Total cost per annum (\$)	172,260	172,260

7.12 The total cost of leasing one of the other office areas within the Property is \$172,260 per annum, including outgoings and five car parking bays at the back of the Property. The rent payable by Aspermont under the Proposed Transaction exceeds the rent payable for the other office areas in the same Property by \$77,740 per annum.

7.13 We note that the lease terms for these office areas are not on a fully serviced basis. The lease terms do include the servicing of the shared areas in the Property but do not include services to the private office spaces.

7.14 The additional services under the Proposed Transaction but not covered by the leases for the other office areas in the Property include:

- regular cleaning of private office areas and windows
- pest control
- security
- buildings and contents insurance
- routine maintenance and repair of private office areas
- provision of high speed WIFI and unlimited data (specifically tailored to the operational requirements of Aspermont)
- provision of electricity, heating and cooling

- access to and use of printers and scanners (subject to a limited number of pages, after which a commercial rate usage fee applies)
- exclusive access to storage space

7.15 We have included an estimate of additional services listed above, these estimates have been based on management discussions, review of past invoices and publicly available information for comparable services, which would be required by Aspermont to be able to complete daily operations in the same building.

	2024	2025
Total cost per annum (\$)	172,260	172,260
Estimated cost of additional services per annum (\$)	60,000	60,000
Total estimated cost per annum including additional services (\$)	232,260	232,260

7.16 The total cost of leasing one of the other office areas within the Property is \$232,260 per annum, including all outgoings, five car bays and an estimated cost of the additional services under the Service Agreement. The rent payable by Aspermont under the Proposed Transaction exceeds the rent payable for the other office areas in the same Property by \$17,740 per annum.

7.17 The total estimated annual cost of \$60,000 covers the additional services provided under the Service Agreement as listed in paragraph 7.14. We have not included an estimate for the cost of repairs and maintenance as these expenses are not able to be accurately estimated.

8. IS THE PROPOSED TRANSACTION FAIR TO ASPERMONT SHAREHOLDERS?

8.1 Our assessed values of the rental costs under the Proposed Transaction and comparable market rate rentals are summarised in the tables below:

Comparison of Market Rent with Rent Payable under the Proposed Transaction

	Unit	Section	Low (\$)	High (\$)	Avg (\$)
Aspermont Rent per annum	\$/annum	3	250,000	250,000	250,000
Other Office Areas within the same Property per annum (inclusive of estimated cost of additional services)	\$/annum	7	232,260	232,260	232,260
Comparable Serviced Office Rent per annum (including car bays)	\$/annum	7	154,500	447,408	242,051

Source: MACF analysis

8.2 The rent per annum payable by Aspermont under the Proposed Transaction is within the market range of comparable serviced offices, but above the average and preferred market rate. The rent payable by Aspermont under the Proposed Transaction is more than the rent advertised as payable by third parties for the remaining office areas within the Property. We note that the rent payable for the other office areas in the same Property are not on a fully serviced basis. We have reviewed the additional services provided to Aspermont under the Proposed Transaction, which are specifically tailored to the operational requirements of Aspermont and consider that the rent payable under the Proposed Transaction outweighs the benefits associated with the additional services. Therefore, we consider the Proposed Transaction to be not fair to the Non-Associated Shareholders of Aspermont.

9. IS THE PROPOSED TRANSACTION REASONABLE?

9.1 RG111 establishes that a Proposed Transaction is reasonable if it is fair. If a Proposed Transaction is not fair it may still be reasonable after considering the specific circumstances applicable to it. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- Other alternatives for Aspermont if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Other alternatives for Aspermont if the Proposed Transaction does not proceed

9.2 If the Proposed Transaction does not proceed, then Aspermont will endeavour to seek an alternative leasing arrangement. In doing so, the Company would have to consider and account for the following factors and costs:

- The cost incurred in relocating. We note that the workstations and furniture currently used by Aspermont are legally owned by Ileveter under the Service Agreement. Other serviced offices and the other office areas for lease within the Property also include workstations and furniture. As such, the cost of relocating, especially to an office space within the Property, would not be significant;
- The current lease does not include a make good clause;
- The cost of setting up a new office space, including any fixtures and fittings that may be required. We note that serviced offices spaces generally require minimal set up costs. Relocation to one of the other offices areas within the Property would not require the relocation of IT servers although would require setting up WIFI, electricity provider, cleaners etc.
- Updating formal communication, business cards and websites with new office details. This does not apply when relocating within the same Property.
- Loss of any intangible benefit gained with client's familiarity to current premises, as the Company has been operating from the current building since 2004 This does not apply when relocating within the same Property;
- Possibility of downtime due to the migration and set-up of IT equipment. This does not apply when relocating within the same Property; and
- Any costs that may be incurred with breaking the current lease.

Advantages and disadvantages

9.3 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Advantage 1 – No relocation costs incurred

Aspermont can continue operating uninterrupted with no additional costs incurred.

Advantage 2 – Goodwill and familiarity

Aspermont has been operating from the Property since 2004. There may be an intangible benefit associated with being located in a familiar location for customers and suppliers. This advantage would also be relevant to relocating to one of the other offices within the Property.

Advantage 3 – No rent review

The Lease Agreement does not include an annual increase in the rent payable over the two-year term. Due to increasing interest rates, comparable office spaces may experience an increase in rent. A fixed rental cost provides some cash flow certainty to Aspermont.

Advantage 4 – Flexibility to expand

Aspermont is able to opt to occupy the entire first floor of the Property, if required. Although this is an advantage if Aspermont were to expand and increase their headcount, due to the Company's culture of flexible work from home arrangements meaning that there is a lot of spare capacity and the short term of the Lease Agreement, we do not consider it likely that Aspermont will take up this option during the lease term.

Advantage 5 – Service Agreement

The Service Agreement provides the services and facilities associated with a fully serviced office space. This has significant benefits to Aspermont as they do not have to arrange and pay for occupancy related costs such as furniture, WIFI, cleaning, printers etc.

Advantage 6 – Private Space

The Property per the Proposed Transaction is a private and secure office space with 35 workstations, which means there is no requirement for hot desking. We note that one of the other office spaces within the Property is a comparable size office with the same level of privacy and security.

Advantage 7 – Car bays on site

The Car Park Agreement includes the use of five undercover car bays on site. Most other serviced offices do not provide onsite parking. We note that the other office areas within the same Property include the option to lease the same car parking bays at the Property.

Advantage 8 – Storage Area

The Property includes exclusive access to a secure Storage Area on site.

Disadvantages of approving the Proposed Transaction

Disadvantage 1 – Not fair

The Proposed Transaction is not fair.

Disadvantage 2 – Availability of more modern premises

Approval of the Proposed Transaction would mean that Aspermont forgoes the opportunity to upgrade their office space to a more modern office building with better facilities.

Disadvantage 3 – Potential new environment

An office relocation could give Aspermont a sense of a fresh start, boosting the staff morale. Relocating to a new shared working environment could potentially create new opportunities.

Disadvantage 4 – Landlord can terminate lease

Under the Lease Agreement, if any time during the term the Lessor wishes to redevelop the Property, it may, upon giving Aspermont twelve months written notice, terminate the lease.

Disadvantage 5 – Extra capacity

The Lease Agreement is for 207sqm which includes 35 workstations, the current maximum required for Aspermont's 35 staff members. Due to the culture of flexible work from home arrangements, there are often a number of unoccupied desks each day. Aspermont could lease a smaller office area with fewer workstations at a lower cost without any significant impact on its staff members.

Disadvantage 6 – Expensive location

The Property is located within the Perth CBD, this would be considered premium office location and therefore subject to premium pricing. Aspermont does not rely on its location for customers or certain working requirements, and as such could rent office space in a less expensive location.

Disadvantage 7 – Empty building

Currently the other two private office spaces in the Property are unoccupied. The empty office space may create a low sense of morale.

Alternative Proposal

- 9.4 The commercial property market in Perth remains stable, with high vacancies expected to continue. As a result, tenants are using the current environment to upgrade or seek higher quality spaces. In relation to Aspermont, there are a number of alternative serviced office buildings that are available for lease currently at lower cost and with better quality facilities.
- 9.5 The two other office areas within the same Property are currently available for lease from Ileveter for less than the rent payable by Aspermont in the Lease Agreement. These offices are directly comparable to the Office Space under the Proposed Transaction as they are within the same building, are comparable in size and have access to the same adjacent car park spaces. We note however, that these office areas are offered not fully serviced.

Conclusion on reasonableness

- 9.6 We note that the current Lease Agreement includes a number of features that make it attractive to Aspermont including fixed rental cost with no rent review over the life of the lease, flexibility to expand as required, and the use of undercover car bays attached to the Property.
- 9.7 Whilst we consider that the Proposed Transaction is not fair, we do note that the estimate of additional services provided does not include the cost of non-structural repairs and maintenance works, which are difficult to estimate with any accuracy. We note that the difference between the rent payable by Aspermont and the estimated fully serviced rent payable in the Other Office Areas is approximately \$17,700. Should any significant non-structural repairs be required during the Lease Term, these costs might exceed the additional \$17,700 payable by Aspermont, in which case the Proposed Transaction would be fair.
- 9.8 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved, is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information, we consider that the Proposed Transaction is reasonable for the Non-Associated Shareholders of Aspermont.
- 9.9 An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

10. INDEPENDENCE

- 10.1 Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") is entitled to receive a fee of approximately \$15,000, excluding GST and reimbursement of out-of-pocket expenses. Except for this fee MACF has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.
- 10.2 Neither MACF nor other related practice entities of MACF, currently provide any services to Aspermont. The expert responsible for the preparation of this report, Mr Peter Gray, is independent of both Aspermont and Ileveter.
- 10.3 Prior to accepting this engagement MACF has considered its independence with respect to Aspermont and Ileveter, and any of their respective associates with reference to RG 112, Independence of Expert's Reports. It is the opinion of MACF that it is independent of Aspermont and Ileveter and their respective associates.

- 10.4 MACF has previously provided professional services to Aspermont in relation to the valuation of Employee Performance Rights, for a fee of approximately \$6,310 excluding GST, in the last two years.
- 10.5 MACF and Moore Australia Chartered Accountants have not had at the date of this report any relationship which may impair their independence.
- 10.6 We have held discussions with management of Aspermont and Ileveter regarding the information contained in this report. We did not change the methodology used in our assessment as a result of discussions and our independence has not been impaired in any way.

11. QUALIFICATIONS

- 11.1 MACF is a professional practice company, wholly owned by the Western Australia practice of Moore Australia, Chartered Accountants. The firm is part of the National and International network of Moore Global Network independent firms and provides a wide range of professional accounting and business advisory services.
- 11.2 MACF holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the listing rules of the ASX and the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.
- 11.3 The director responsible for the preparation and signing of this report is Mr Peter Gray who is a director of MACF. Mr Gray is a Chartered Accountant and is RG146 compliant. Mr Gray has approximately 15 years' experience in capital markets and corporate finance and has significant experience in the preparation of independent expert's reports, valuations, valuation methodology and related advice.
- 11.4 At the date of this report neither Mr Gray, nor any member or Director of MACF, has any interest in the outcome of the Proposed Transaction.

12. DISCLAIMERS AND CONSENTS

- 12.1 MACF has been requested to prepare this report, to be included in the Notice of General Meeting which will be sent to Aspermont Shareholders.
- 12.2 MACF consents to this report being included in the Notice of General Meeting to be sent to shareholders of Aspermont. This report or any reference thereto is not to be included in, or attached to any other document, statement or letter without prior consent from MACF.
- 12.3 MACF has not conducted any form of audit, or any verification of information provided to us, and which we have relied upon in regard to Aspermont or Ileveter, however we have no reason to believe that any of the information provided, is false or materially incorrect.
- 12.4 The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading or incomplete.
- 12.5 Neither MACF nor Mr Gray take any responsibility for, nor have they authorised or caused the issue of, any part of this report for any third-party other than the shareholders of Aspermont in the context of the scope and purpose defined in section 4 of this report.
- 12.6 With respect to taxation implications, it is recommended that individual shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Aspermont or any other party.
- 12.7 The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and with regard to all of the circumstances pertaining to the Proposed Transaction.

12.8 In regard to any projected financial information noted in this report, no member or director of MACF has had any involvement in the preparation of the projected financial information.

12.9 Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Aspermont or Ileveter, and in particular do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully



Peter Gray
Director
[Moore Australia Corporate Finance \(WA\) Pty Ltd](#)

APPENDIX A – SOURCES OF INFORMATION

In preparing this report we have had access to the following principal sources of information:

- Lease agreement for premises at 613-619 Wellington Street Perth WA 6000 dated 29 August 2022;
- Non-exclusive Licence Agreement for a Shared Office Space dated 1 October 2022;
- Draft Lease Agreement for premises at 613-619 Wellington Street Perth WA 6000 for the period 1 October 2023 to 30 September 2025;
- Draft Non-exclusive Licence Agreement for a Shared Office Space for the period 1 October 2023 to 30 September 2025;
- Draft Car Park Licence Agreement for five undercover car parking spaces at 613-619 Wellington Street Perth WA 6000 for the term of the Lease Agreement;
- Schedule of historical costs incurred under the current Service Agreement between Aspermont and Lleveter with some supporting invoices;
- Draft Notice of Meeting;
- Publicly available information in relation to Aspermont, including ASX announcements;
- Information in the public domain;
- JIL: Office Market Overview Q1 2022;
- CBRE: Q3 2022 Asia Pacific Office Trends;
- S&P Capital IQ database; and
- Discussions with directors and management of Aspermont.

APPENDIX B – VALUATION METHODOLOGIES

We have considered which valuation methodology is the most appropriate in light of all the circumstances and information available. We have considered the following valuation methodologies and approaches:

- Discounted cash flow methodology ('DCF')
- Capitalisation of future maintainable earnings methodology ('FME')
- Net assets value method ('NAV')
- Quoted market price methodology ('QMP')
- Market approach method (Comparable market transactions).

Valuation Methodologies and Approaches

Discounted Cash Flow Method

Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Capitalisation of Maintainable Earnings Method

The capitalisation of maintainable earnings method estimates "fair market value" or "enterprise value", by estimating a company's future maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.

It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.

The measure of earnings will need to be assessed and can include, net profit after taxes (NPAT), earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortisation (EBITDA).

The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or 'earnings multiple' is based on evidence of market transactions involving comparable companies.

An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.

Net Assets Value Method (Orderly Realisation of Assets)

The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

Liquidation of assets - The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.

Net assets – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.

The asset based approach, as a general rule, ignores the possibility that a company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.

The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.

Cost Based Approach - The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset's replacement cost at current prices.

Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly, this approach is only useful in limited circumstances, usually associated with intangible asset valuation.

Quoted Market Price Methodology

The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell.

Consequently, this approach provides a "fair price", independently determined by a real market. However, the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.

In taking a quoted market price based assessment of the consideration to both parties to the proposed transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.

Market Approach Method

The market based approach estimates a company's fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.

This includes, consideration of any recent genuine offers received by the target for an entire entity's business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets

APPENDIX C – COMPARABLE SERVICED OFFICES

Comparable Serviced Office Rentals

Company	Address	No of days/week	Rent/Month (\$)	Total Cost/Annum (\$)	Office Description
We Work - Coworking Space	152 St Georges Terrace, Perth WA 6000	5	325pp	136,500	Monthly membership to coworking space, hot desks, lounges and phone booths. Amenities include cleaning services, bike storage, showers, kitchen, printers etc. Meeting rooms are available to allow teams to gather, at varied rates. 5 meeting room credits per month per person, includes 140 printing sheets per month per person.
We Work – Private office	152 St Georges Terrace, Perth WA 6000	5	15,360 per month + 5 co working spaces at \$130pp	192,120	Private, secure office space for 30 persons plus 5 full time co-working spaces. Amenities include cleaning services, bike storage, showers, kitchen, printers etc. Meeting rooms are available to allow teams to gather, at varied rates. 5 meeting room credits per month per person, includes 140 printing sheets per month per person.
Core Hub – Full Time	191 St George’s Terrace, Perth WA 6000	5	500pp	210,000	24/7 access, hot-desking, access meeting rooms, facilities, and public events, masterclasses and workshops. 5 meeting room credits per month.
Liberty Flexible Workspaces – Fulltime	197 St George’s Terrace, Perth WA 6000	7	599pp	251,580	Access to co-working space, inclusive meeting room for 8 hours each month, 24/7 hour access, unlimited high speed internet, showers and bike storage, mailing address included.
Liberty Flexible Workspaces – Fulltime	53 Burswood Road, Burswood WA 6100	5	399pp	167,580	Access to co-working space 7 days per week, inclusive meeting room for 4 hours each month, 24/7 hour access, unlimited high speed internet, showers and bike storage, mailing address included.
Liberty Flexible Workspaces – Fulltime	37 St George’s Terrace, Perth WA 6000	5	499pp	209,580	Access to co-working space 7 days per week, inclusive meeting room for 8 hours each month, 24/7 hour access, unlimited high speed internet, showers and bike storage, mailing address included.
Claisebrook Design Community	25 Gladstone Street, Perth WA 6000	5	440pp	184,800	Coworking space. Amenities include air conditioning, printing, high speed internet, mailbox, lockers, meeting rooms, showers, kitchen, boardroom and storage options.
Regus – Havelock Street	100 Havelock Street, Perth WA 6005	5	367pp	154,140	Centrally located 5-level energy efficient building, furnished surroundings, fully-equipped meeting rooms. Includes meeting rooms, secure underground parking and showers.
Regus – Wentworth Building	300 Murray Street, Perth WA 6000	5	510pp	214,200	Across private offices, open meeting rooms and co-working areas, the unlimited Wi-Fi and helpful admin staff will ensure you’re always at peak productivity. Includes disabled facilities, showers, meeting rooms and parking.
Regus – St Martins Tower	44 St Georges Terrace, Perth WA 6000	5	443pp	186,060	Includes meeting rooms, underground parking (at extra cost) and outside seating area.
IWG – Private office	Level 29, 221 St Georges Terrace	7	590pp	247,620	30 person private and secure office space with views, high floor, fully serviced incl unlimited WIFI, utilities, handsets dedicated customer service team, meeting rooms, 24/7 access. 12 month term

Comparable Office Buildings

Co-Working Spaces



152 St Georges Terrace



191 St Georges Terrace



197 St Georges Terrace



53 Burswood Rd



37 St Georges Terrace



25 Gladstone St



100 Havelock St



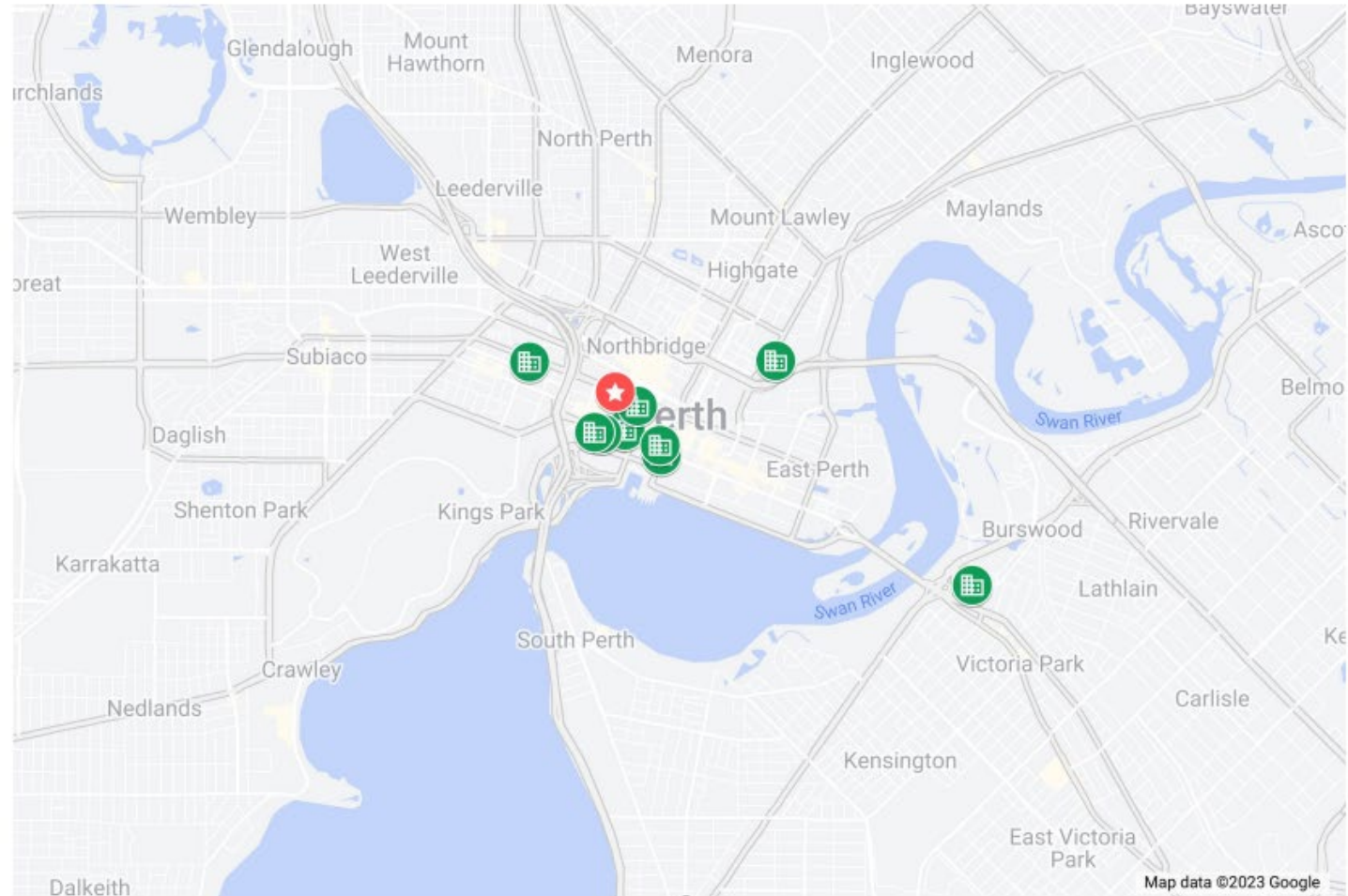
300 Murray St



44 St Georges Terrace



613 Wellington St



APPENDIX D - GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
\$	Australian Dollar
Aspermont	Aspermont Limited
Ileveter	Ileveter Pty Ltd
Act	Corporations Act 2001
ASIC	Australian Securities and Investments Commission
Associated Shareholders	Shareholders and directors of Aspermont
ASX	Australian Securities Exchange or ASX Limited ACN 008 624 691
Board	The Board of Directors of Aspermont Limited
Business Day	has the meaning given in the Listing Rules
Car Park Agreement	Draft car park licence agreement for five car bays at the Property between Aspermont and Ileveter for the term of the Lease Agreement
Company	Aspermont Limited
ASP	Aspermont Limited
Directors	The Directors of Aspermont Limited
Explanatory Statement	The explanatory statement accompanying the Notice
FME	Future Maintainable Earnings
IER	This Independent Experts Report
Income Tax Assessment Act	the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997
Lease Agreement	Draft lease agreement between Aspermont and Ileveter for the two years from 1 October 2023 to 30 September 2025
Listing Rules	the official listing rules of ASX and includes the business rules of ASX
Moore Australia or MACF	Moore Australia Corporate Finance (WA) Pty Ltd
Non-Associated Shareholders	Shareholders who are not a party to, or associated with a party to, the Proposed Transaction
Notice	The notice of meeting
Option	Option to extend the Lease Agreement term by two years to 30 September 2025
Property	613-619 Wellington Street, Perth
Proposed Transaction	The Lease Agreement and Service Agreement for the Property between Aspermont and Ileveter
Register	the register of members of Aspermont shareholders or option holders, as the case requires
RG111	ASIC Regulatory Guide 111 <i>Content of Experts Reports</i>
Services Agreement	Draft non-exclusive licence agreement for a shared office space between Aspermont and Ileveter for the two years from 1 October 2023 to 30 September 2025
S&P Capital IQ	Third party provider of company and other financial information

CONTACT US

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HELPING YOU THRIVE IN A CHANGING WORLD

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Tuesday, 16 May 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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GPO Box 5193
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IN PERSON:

Automic
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BY EMAIL:

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