

Administrators' Second Report to Creditors



**CANNIM GROUP PTY LTD (ADMINISTRATORS
APPOINTED) ACN 619 486 305**

**CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS
APPOINTED) ACN 624 059 632**

(the Companies)

24 November 2025

**RAJIV GOYAL, NEIL ROBERT CUSSEN & MICHAEL
JAMES BILLINGSLEY**

Joint And Several Voluntary Administrators

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Glossary

Abbreviation	Description
\$	Australian Dollars
379 Wills Rd	379 Wills Rd, Coominya QLD
456 Rocky Gully Rd	456 Rocky Gully Rd, Coominya QLD
Act	Corporations Act 2001
Administration	The voluntary administration of the Companies
Administrators	Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley
Administration Period	Period of voluntary administration beginning on 27 October 2025
ALLPAP	All present and after acquired property
Appointment Date	27 October 2025
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Cannim America	Cannim America, LLC
Cannim Australia	Cannim Australia Pty Ltd (Administrators Appointed) ACN 624 059 632
Cannim Canada Limited	Cannim Canada Limited
Cannim GmbH	Cannim GmbH
Cannim Group	Cannim Group Pty Ltd (Administrators Appointed) ACN 619 486 305
Cannim Ltd	Cannim Ltd (UK)
Cannim USA	Cannim USA, LLC
CBA	Commonwealth Bank of Australia
Claim	Includes a claim, demand, debt, action, proceeding, suit, cost, charge, expense, damage, loss and other liability, whether arising at law, in equity or under statute, and whether present or future, certain or contingent, ascertained or sounding only in damages, and includes all and any rights or entitlements to claim, pursue or recover costs in respect of such debts or Claims
Committee	Committee of Inspection
Companies	Cannim Group & Cannim Australia
DEWR	Department of Employment and Workplace Relations
Directors of Cannim Australia	William Kelvin Worton John Henry Worton
Directors of Cannim Group	John Henry Worton Hiran Nicholas Selvaratnam Jasper Jaap Hans De Rooij Maarten Johannes Langeveld Tariq Mohamed Zaid
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EOI	Expression of Interest
Epsilon	Epsilon Healthcare Limited
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee Scheme
Finstro	Finstro Securities Pty Ltd ATF Finstro Asset Trust
First Meeting	First Meeting of Creditors held on 6 November 2025
First Report	First Report to Creditors dated 29 October 2025
Funding Deed	Funding deed between the Administrators and Finstro
FY	Financial Year
GST	Goods and Services Tax
IPR	Insolvency Practice Rules (Corporations) 2016
High Science	High Science, LLC

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Abbreviation	Description
JRM	Jamaica Red Moon Ltd
Medisun	Medisun Inc (Bankrupt)
NAB	National Australia Bank
NBIO	Non-binding indicative offers
PPSR	Personal Property Security Register
POD	Proof of Debt (Form 535)
R&D	Research and Development
RBA	Running Balance Account
ROCAP	Report on Company Activities & Property
SGC	Superannuation Guarantee Charge
Secured Creditors	Creditors who have a registered security interest over some or all of the Company's assets.
TBA	To Be Advised
TBC	To Be Confirmed
VDR	Virtual data room
YTD	Year to Date

Disclaimer

This is a Report to Creditors by the Joint and Several Administrators of Cannim Group Pty Ltd and Cannim Australia Pty Ltd (**the Companies**), pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**) and Section 439A of the *Corporations Act 2001* (**the Act**). The report and the contents therein should be treated as confidential by creditors.

Our investigation into the affairs of the Companies contained in this report, including the recommendations made in it, reflect information which we have obtained from:

- The available company books and records including financial statements and management accounts;
- Information and representations from the Directors, management and other staff of the Companies; and,
- Other information gathered from our own enquiries.

Given the time limitations imposed by the Administration process the Administrators have not had sufficient time to independently verify all the information we have relied on, nor have we conducted an audit of the records and financial information on hand. There is nothing to indicate that the information that we have been provided to date cannot be relied upon. Accordingly, except where stated, we assume the information on which we have relied is accurate and complete. We reserve the right to alter our opinions and recommendations if further information is provided to us after the publication of this report or if assumptions we have made are mistaken.

In making our recommendations, we are required to estimate both the amounts that will be recovered from the Companies' assets and the value of creditors' claims. Our estimates are necessarily uncertain, and, while they are our best assessment in the circumstances, both the final deficiency and the outcome for creditors are likely to differ from our estimates.

Neither we, as Administrators, nor any member or employee of our firm undertakes responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to this office, or necessary estimates and assessments made for the purposes of this report.

Any creditor with information material to the affairs of the Companies that they consider may affect our investigations or Report should forward details to our office as soon as possible.

1. Executive Summary

1.1 Appointment of Administrators

On 27 October 2025, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley were appointed as Joint and Several Voluntary Administrators (**Administrators/we/us/our**) of Cannim Group Pty Ltd (Administrators Appointed) ACN 619 486 305 (**Cannim Group**) & Cannim Australia Pty Ltd (Administrators Appointed) ACN 624 059 632 (**Cannim Australia**), by resolutions passed by the Directors of the entities pursuant to Section 436A of the Act.

One of the purposes of a Voluntary Administration process is, under the control of an Independent Administrator, to afford a company in financial distress time to develop and implement a restructuring plan with its creditors, if one is not possible allow time for an orderly sale of the assets through liquidation. During the Administration period a company is afforded a statutory moratorium.

This report sets out the Administrators' investigations to date. The report also provides the Administrators' recommendation as to the future of the Companies.

1.2 Purpose of this Report

This report has been prepared in accordance with the requirements of Rule 75-225 of the IPR. The report contains information required to be disclosed at law and per regulatory and professional requirements.

This report provides our opinion and recommendation on the future of the Companies. It is the Companies' creditors who will decide the future of the Companies at the Second Meeting of creditors to **be held via Microsoft Teams on Monday, 1 December 2025 at 11:00 am (AEDT)**.

The three options for the future of the Companies available to creditors to vote on at the Second Meeting are:

- The Companies should execute a deed of company arrangement (**DOCA**); or
- The Administration of the Companies should end, and control of the Companies should return to the Directors; or
- The Companies should be wound up.

We are required pursuant to IPR 75-225(3)(b) of the Act to make a recommendation to creditors as to which of the three available options they should approve.

Our recommendation is that each of the Companies be wound up as no viable DOCA proposal has been received and the Companies are insolvent and cannot be handed back to their Directors.

We are able to adjourn the Second Meeting for up to 45 business days to consider any proposals received between the date of this report and the Second Meeting. A decision to adjourn will be based on potential benefits to creditors and further funding available to the Administrators to continue trading the business of the Companies.

Details of the Second Meeting and how you can participate in it are set out later in this report and in the attached Notice of Meeting.

1.3 Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

A DIRRI was provided with our first report to creditors on 29 October 2025. A copy of the DIRRI has also been lodged with the Australian Securities & Investments Commission (**ASIC**). On 12 November 2025, an updated DIRRI was lodged with ASIC to reflect an additional \$155,000 in funding received from the Companies' secured lender. This brings the total funding received from the secured lender to \$490,000 to date.

A copy of the updated DIRRI is enclosed as **Annexure 3**.

1.4 First Meeting of Creditors

The first meeting of creditors was held pursuant to Section 436E of the Act on 6 November 2025 to consider forming a committee of the Companies' creditors and whether to appoint different persons to be Administrator of either company.

At that meeting, there was no proposal for alternative Administrators and creditors resolved not to form a Committee of Inspection (**Committee**) for each of the Companies.

1.5 Outstanding Winding up Applications Against the Companies

A search of the ASIC database reveals no winding-up application notifications have been filed against either of the Companies.

1.6 Second Meeting of Creditors

In accordance with Section 439A of the Act, a Second Meeting of creditors of the Companies **will be held via Microsoft Teams on Monday, 1 December 2025 at 11:00 AM (AEDT)**.

	Check In Opens	Meeting Commences
Creditors Meeting	10:45 am (AEDT) Monday, 1 December 2025	11:00 am (AEDT) Monday, 1 December 2025
Cut off for Registration of Attendance	4:00 PM (AEDT) Friday, 28 November 2025	

Creditors wishing to attend the Second Meeting must register by emailing staff of this office at CGPL@olveraadvisors.com by no later than **4:00 pm (AEDT) on Friday, 28 November 2025**. Once you have registered, an email with a link will be provided to join the virtual meeting. Creditors are requested to access the link prior to the commencement of the meeting.

1.7 Estimated Outcome Statement

While we have provided an estimate of returns in section 8, in a winding up scenario the level of dividend payable to creditors will not be known until our investigations and the realisation of assets is complete. A future appointed liquidator will liaise with creditors with respect to the timing and rate of any respective dividend, if any. Several factors will affect the likelihood of a dividend being paid to creditors in a winding up, including:

- Net realisations from the sale of assets including the collection of debtors and sale of stock, after satisfying the secured creditor;
- Recovery of voidable transactions and the costs of recovery;
- Final accounting for any administration trading costs including accrued employee related costs and taxes;
- Costs incurred in respect of the Administrators' and Liquidators' remuneration and disbursements; and,
- The final value of creditor claims factoring in priority secured creditor and employee claims.

Should a dividend to creditors be declared, you will be contacted before this happens and, if you have not already done so, you will be asked to lodge a Formal Proof of Debt Form. This formalises your claim and is used to determine all claims against the Companies.

1.8 Summary of Administrators' Recommendation

Please refer to Section 9 in respect to the Administrators' recommendation. In summary, the Administrators are of the opinion that:

- We **do not** consider it would be in the creditors' interests for either of the Companies to execute a DOCA;
- We **do not** consider that it would be in the creditors' interest for either of the Companies administration to end; and
- We **do** consider that it would be in the creditors' interest for each of the Companies to be wound up.

2. The Companies' Statutory Information & Background

2.1 Statutory Information

Detailed below is a summary of information relating to the Companies obtained from the ASIC database:

Company Name	Cannim Group	Cannim Australia
ACN	619 486 305	624 059 632
ABN	27 619 486 305	48 624 059 632
Company Type	Australian Proprietary Company	Australian Proprietary Company

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Company Name	Cannim Group	Cannim Australia
Date / Place of Incorporation	1/06/2017 New South Wales	28/01/2018 New South Wales
Current Directors	John Henry Worton (01/06/2017 to present) Hiran Nicholas Selvaratnam (22/02/2022 to present) Jasper Jaap Hans De Rooij (24/02/2025 to present) Maarten Johannes Langeveld (23/02/2025 to present) Tariq Mohamed Zaid (26/06/2025 to present)	John Henry Worton (01/06/2017 to present) William Kevin Worton (18/11/2020 to present)
Former Directors (during the previous four years)	N/A	N/A
Registered Office	'406' 39 EAST ESPLANADE MANLY NSW 2095	'406' 39 EAST ESPLANADE MANLY NSW 2095
Principal Place of Business	'406' 39 EAST ESPLANADE MANLY NSW 2095	'406' 39 EAST ESPLANADE MANLY NSW 2095
Shareholding	197,442,034 Ordinary Shares, with \$41,434,746.30 paid 148,491,116 Convertible Series A, with \$150,314,283 paid	2 Ordinary Shares

2.2 Companies' Background and Reason for Appointment of Administrators

Set out below is a summary of the purpose of each of the Companies:

Cannim Group	The holding company of the group with subsidiaries in Australia and overseas, which provides shared management and services to its subsidiaries, conducts scientific research and is the main Australian employing entity, and which conducted debt / equity raising activities to fund the group.
Cannim Australia	The Australian operations company which holds debtors, stock, customer contracts, vendor contracts. Cannim Australia buys the medicinal cannabis from Cannim Canada Limited. It operates a clinic called Natura which is a telehealth clinic enabling the prescription of medical cannabis products to its patients. The company employs one employee.

The Companies' operations and investments in subsidiaries were financed historically through equity and unsecured convertible loan notes issued by Cannim Group. No significant equity or investment was able to be raised since August 2024.

In June 2025, Cannim Group entered into a \$15m secured finance facility agreement with Finstro Securities Pty Ltd ATF Finstro Asset Trust (**Finstro**) for which Cannim Australia, Cannim Ltd and Cannim Canada Limited are guarantors. The Finstro facilities were used to purchase stock with all debtors payable to Finstro. The only source of funding to cover costs was from capital raising or loans from investors.

Prior to our appointment as Administrators, the Companies experienced:

- Failed investments including in cultivating facilities and unsuccessful expansion into businesses across international markets including US, Germany, Jamaica, and the UK;
- Significant trading losses;
- High cost of debt funding;
- Declining sales with key distribution partners; and,

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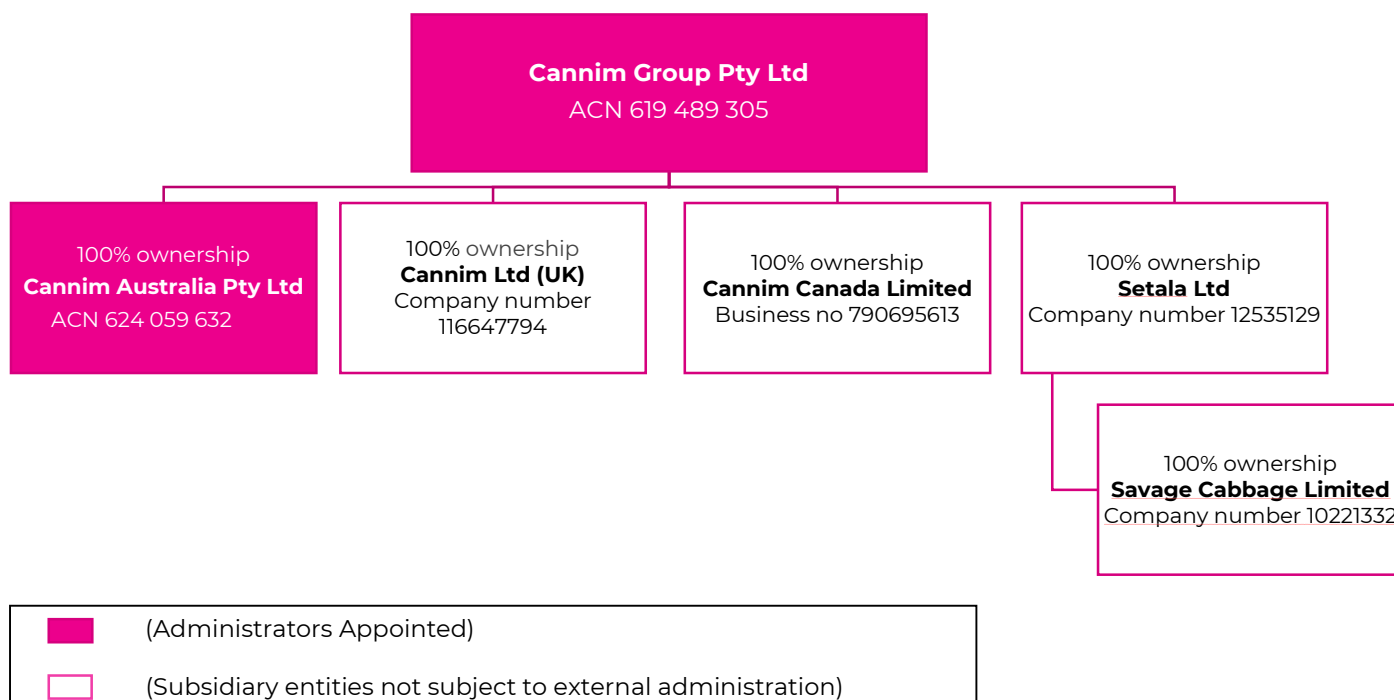
- Cash flow difficulties as a result of the structure of the Finstro facility with all cash from debtor collection and stock sales going to Finstro.

The likely reason for the failure of the Companies is therefore:

Administrators' findings as to the reasons for the Companies' failure:	<ul style="list-style-type: none"> ▪ The Companies' main white label and bulk customer, Montu Group, reduced their purchases versus forecast and had a significant negative impact on revenue from FY24 – and from around January 2025 had a significant deposit refund / offset claim. ▪ The Companies were undercapitalised to maintain operations and service existing debt including maturing loan notes. ▪ The Companies could not raise significant further equity in the short term. ▪ The Companies were unable to obtain further financing for operations, creditors' obligations or growth noting the Finstro facilities secured all stock and proceeds, with debtors payable directly to Finstro.
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2.3 Current Corporate Structure

Set out below is a summary of the Cannim Group corporate structure provided to us:



Our appointment as Administrators has had no impact on any of Cannim Group's international subsidiaries, which continue to operate under the control of their respective Directors.

During the administration period funding has been provided to us by Finstro to meet certain costs of Cannim Ltd and Cannim Canada Limited. This was to preserve value in the shares of Cannim Group, operations, licenses and distribution networks of Cannim Ltd and Cannim Canada Limited while the Administrators explored offers for the wider business of the Cannim Group.

2.4 Current Group Entity Purpose

Set out below is a summary of the purpose of each of the subsidiaries:

Cannim Ltd (UK)	Based in the UK and is a wholesaler of medicinal cannabis to its customers in the UK and operates a clinic known as Lumir which is a telehealth clinic enabling the prescription of medical cannabis products to its patients, and for those products to be delivered to the patient's door. Upon our appointment Cannim Ltd UK employed 13 doctors and other employees at the clinic.
Cannim Canada Limited	Incorporated in Ontario, Canada, sources and processes medicinal cannabis in Canada and distributes those products to Cannim UK and Cannim Australia.
Setala Ltd	<p>Holding entity based in the UK which in turn owns all the issued shares in Savage Cabbage Limited (Savage Cabbage) which business involves the sale of novel food with registered cannabidiol formulations in the UK.</p> <p>We note that Cannim Group was the purchaser of Savage Cabbage and there is currently a number of ongoing disputes surrounding the sale and other claims.</p>

2.5 Other Controlled Interests / Investments

Set out below is a summary of other controlling interests / investments disclosed in the Cannim Group consolidated financial statements:

Entity	Principal place of business / Country of incorporation	Status	Cannim Group Ownership Interest	Director(s)
Medisun Inc (Bankrupt) (Medisun)	Ontario, Canada	In liquidation	76%	Will Worton
Jamaica Red Moon Ltd (JRM)	Jamaica	Operating	44%	Gregory Worton James Worton (Brother's)
Cannim GmbH (Cannim GmbH)	European Union	In liquidation	100%	John Worton Dr. Sven Sauer
Cannim America Inc (Cannim America)	Delaware, USA	In liquidation	100%	Not advised
Cannim USA, LLC (Cannim USA)	Florida, USA	In liquidation	100%	Adam Abodeely

These investments have all been written down to nil value in the records of Cannim Group. We requested from the Directors and Management details of the purpose and status of these investments along with financial information for each entity and have not yet received a substantive response. We note that JRM continues to operate.

Our preliminary findings concerning these investments, based on available records and searches are outlined below in section 7.7 and 7.10.

2.6 Administrators' Objectives and Outcomes

Approach

Our approach throughout the administration period has been to explore all options available for the business of the Companies to continue, to preserve employment of the staff (and avoid crystallizing employee termination entitlements), and preserve the Companies' business, licenses, assets, clinic and other operations.

We immediately wrote to all employees, suppliers and creditors to confirm the position of the Companies, and to seek their support on a 'business as usual' basis while options for the business were explored.

We highlighted that given the limited cash position the continuing operations of the business were dependent upon available funding, primarily from Finstro, being made available to meet the ongoing trading costs of the administrations.

We also spoke to the directors of the subsidiaries overseas that remained in the control of their directors with respect to any funding requirements.

Funding and Business Continuity Opportunities

We immediately held discussions with Finstro in relation to providing funding to the Administrators. The purpose of the funding was to enable the Administrators to continue to trade and preserve the value of the business of the Companies while exploring options for a sale or recapitalization, or proposal for business continuation through a DOCA.

Finstro has asserted a non-circulating security interest in the Companies' inventory and debtors. Our preliminary advice obtained indicated that the asserted security interest was valid, subject to further review. The Finstro facility obligation is currently approximately \$4.2m.

A funding deed (**Funding Deed**) was executed between Finstro and the Administrators in October 2025 to provide funding of up to \$490k during the Administration period. In the absence of the Funding Deed we would have had to immediately shut down the business of the Companies and lost all potential value in any going concern sale / recapitalisation options including any value from the investments in the subsidiary businesses. In addition, approximately \$729k of employee entitlements liability would have immediately crystallised.

On 30 October 2025, we filed an application in the Supreme Court of NSW seeking orders to confirm the funding agreement as a cost of the administrations and not a personal obligation of the Administrators, noting the potential benefit to all creditors for entering into such an agreement opposed to an immediate shut down of the business.

Creditors were notified of our application and provided with the opportunity to raise any objections prior to Orders being made, and we confirm there were no objections received. On 30 October 2025 Orders were made as sought in our application.

The application of funds utilised during the administration is outlined our receipts and payments in **Annexure 7**.

3. Summary of Administration to Date

3.1 Sale of Business and or Assets or Recapitalisation Campaign

Following our appointment, we undertook a comprehensive and intensive sale and recapitalisation expressions of interest (**EOI**) campaign to test all options for preserving the business and maximising creditor returns.

The campaign commenced on 31 October 2025 and included:

- Public advertising via LinkedIn, the Olvera Advisors website, and Cannabiz, a leading medical cannabis media platform in Australasia;
- Targeted outreach to approximately 90 industry participants;
- An EOI deadline of 7 November 2025, resulting in 8 EOIs; and
- A Non-Binding Indicative Offer (NBIO) deadline of 14 November 2025, resulting in 4 NBIOs.
- A final binding offer deadline of 19 November 2025.

A secure data room was then made available to qualified parties, subject to execution of an NDA and payment of a non-refundable deposit.

To maintain business value during the campaign, we continued to trade the operations, funded by the secured creditor, Finstro. This preserved key contracts, licences, supply channels and patient relationships, enabling interested parties to assess the business of the Companies on a going-concern basis.

Despite strong engagement, the business proved difficult to transact due to the extensive licensing, compliance and regulatory requirements associated with operating in the medicinal cannabis industry. Two parties were progressed to final-stage discussions; however, no binding final offers were received by the due date.

We are currently considering multiple offers that have been received for specific assets of the Companies at the date of this report. The value of these offers has been withheld at this time so as not to prejudice negotiations.

Should there be a viable DOCA proposal received prior to the Second Meeting of creditors, we are able to adjourn the meeting for up to 45 business days to consider that proposal and make a recommendation to creditors. Part of any consideration for an adjournment will depend on funding available to the Administrators to continue trading the business and the impacts of additional administration costs being incurred on potential returns.

At the time of writing this report there are no viable options for a DOCA and we are recommending that the Companies are wound up in liquidation at the meeting of creditors.

3.2 Trading Summary and Receipts and Payments

Rationale to Trade the Business to the Second Meeting of Creditors

In making the initial determination to continue to trade the business during the administration period we undertook the following strategy:

- Held discussions with the Directors and secured creditor to understand the value in the business and available assets to facilitate trading;
- Sought confirmation from the secured creditor that they were willing to fund streamlined trading operations while the Administrators rapidly explored expressions of interest for the Companies' business / assets / recapitalisation options;
- Undertook a costs rationalisation process to streamline the costs of trading including making staff redundancies;
- Prepared a 2-week strategy and costs budget to allow time to identify if there were serious interests in the business;
- Utilised funded costs to preserve the value in the business by projecting a 'business as usual approach' (as reasonably as possible noting that the international subsidiaries of Cannim Group remained under the control of their Directors;
- Made an application to the Supreme Court of NSW indicating the necessity of the Funding Deed with the secured lender and it being in the interests of creditors, and seeking orders that the funding be a cost of the administration;
- Considered that an immediate shut down of the business would have resulted in the immediate crystallisation of \$729k of priority employee entitlements across the Companies;
- Considered that an immediate shut down of the business would have resulted in the secured creditor asserting its right over significantly all of the primary realisable assets in stock and debtors under its PMSI and other registered security interests (and obtained preliminary advice that the asserted security interest was valid); and
- Leveraged continuing trading relationships to urgently contact storage facilities and distributors to seek their interests in a bulk purchase of the inventory assets as an alternative to any offer from the EOI process, to accelerate asset recoveries.

After conducting the preliminary strategy, we undertook the following steps:

- Sought an additional 2-weeks of funding under the Funding Deed on the basis that there were sufficient interests at the end of the initial sale / recapitalisation non-binding interests phase to take forward into an advanced due diligence phase;
- Considered that to cease operations at that time would not be in the best interest of all creditors, despite an increase in (funded) costs of the administration, noting the rights asserted by the secured creditor over substantially all of the primary realisable assets;
- Took immediate steps to call a meeting of creditors after there were no binding offers received at the end of the indicated timeframe to submit offers;
- Preserved the possibility of a late potential viable DOCA should it be in creditors interests at the time of the Second Meeting; and
- Alternatively, preserved the going concern value in realisation opportunities for the sale of inventory.

Receipts and Payments

Enclosed at **Annexure 7** is a copy of the actual receipts and payments during the administration period to date. Funds committed to trading costs up to the date of the meeting are estimated to be \$470k and we have received funding from the secured creditor in the amount of \$490,000 as set out in our DIRRI.

3.3 Summary of Actions Performed to Date

During our appointment we have undertaken the following key tasks and actions:

Trading

- Assessed financial performance and available assets to limit trading risk exposures;
- Considered the commercial viability of continuing to trade and cash / funding requirements;
- Addressed and informed existing employees and critical suppliers of the status of trading;
- Processed weekly wage and critical supplier payments;
- Maintained critical licences, systems and operations;
- Liaised with the Company's secured creditor regarding trading and assets enquiries;
- Invoiced and collected trading period sales;
- Attended to creating administration period supplier accounts and attended to payments;
- Wrote to customers and clients regarding the status of trading; and
- Analysed and forecasted the Companies' trading performance.
- Liaised with the Directors of the overseas subsidiaries around funding requirements, sale of share and their businesses generally.

Assets

- Met with the Director and Management to discuss the financial position and assets of the Companies;
- Reconciled debtor ledgers and collected outstanding debtors;
- Maintained relationships with warehouses and distribution partners holding stock and explored avenues for the sale of inventory;
- Reviewed stock listings compared to the Companies' records;
- Reviewed the management accounts and financial records for other assets that might be recoverable;
- Conducted a preliminary assessment of investments held to determine realisable value;
- Took steps to preserve the value of Cannim Groups shares in Cannim Ltd and Cannim Canada Limited by communicating with the Directors in control of those entities about the business sale process, sale of shares in subsidiaries and assets realisation/preservation opportunities; and
- Liaised with our insurance broker regarding existing or additional policies to preserve potential claims.

Sale / Recapitalisation process

- Liaised with the Directors regarding a potential DOCA proposal;
- Advertised for EOs to purchase the business / assets or recapitalise the Companies;
- Prepared a confidential data room and attended to due diligence enquiries; and
- Attended to negotiations with interested parties and held meetings to progress due diligence processes and obtain viable offers.

Investigations

- Obtained access to management accounts and commenced analysis of the available financial data;
- Performed an initial review of the Companies' historical financial position and performance;
- Conducted reviews to identify any potentially voidable transactions;
- Reviewed relevant information to consider conduct and Director duties;
- Reviewed relevant information relating to convertible notes issued;
- Investigated the nature of related-entity agreements;
- Investigated the historical disposals of the Companies' real property;
- Undertook a preliminary assessment of the Companies' insolvency;
- Conducted a preliminary assessment of Directors' capacity to meet any claims;
- Conducted ASIC, Companies, land title and personal name searches;
- Conducted Australian and Jamaican land title searches in the Companies' name;
- Conducted overseas company searches;
- Information requests to controllers or Directors of investment entities;
- Information requests to conveyance solicitors and legal advisors to the Companies;
- Obtained a back up of servers and computer drives of key persons; and
- Wrote to the Directors seeking clarification with respect to numerous transactions.

Creditors

- Obtained creditor information from the Companies' records;
- Received and recorded creditor claims against the Companies' records;
- Attended to numerous creditor queries regarding the voluntary administration process generally;
- Notified creditors and suppliers of our appointment;
- Convened and held the first meeting of creditors, and prepared minutes of that meeting;
- Liaised with secured creditor with a registered security interest on the PPSR; and
- Prepared this report to creditors and accompanying Remuneration Report.

Employees

- Reviewed and calculated outstanding employee entitlements as at the date of our appointment;
- Calculated employee entitlements incurred during our appointment;
- Provided various notices to employees to keep them informed of the trading status; and
- Attended to numerous employee queries regard the voluntary administration process generally.

Other Matters

- Attended to all other required statutory notifications and lodgements;
- Attended to all external enquiries concerning the status of the administration; and
- Completed taxation requirements including attending to outstanding lodgements.

Creditors should refer to our Remuneration Report at **Annexure 5** for further details about work we have undertaken during the administration period.

4. Historical Analysis – Financial Information

4.1 Financial Information

Set out below is a summary of historical financial information taken from the Companies' Xero management accounts. We have not attended to any preparation, review or audit of the financial information and do not warrant the accuracy of the information.

4.2 Historical Analysis – Financial Performance

Cannim Australia

Profit & Loss Summary	FY22 (\$)	FY23 (\$)	FY24 (\$)	YTD25 (\$)
Income				
Sales - Branded	2,628,584	3,616,769	3,215,647	1,309,307
Sales - White Label / Bulk	2,652,580	9,719,197	6,248,975	3,713,662
Other Revenue	138,463	63,503	78,447	-64,230
Total Trading Income	5,419,627	13,399,469	9,543,069	4,958,738
Freight & Courier	389,730	391,941	373,336	162,787
Packaging and Storage	269,808	1,816,135	665,679	228,431
Warehouse Storage	-	108,879	33,160	11,310
Cost of Sales	2,617,553	4,516,074	4,146,786	3,228,035
Other Cost of Sales	988,945	1,659,323	2,098,633	143,969
Total Cost of Sales	4,266,036	8,492,352	7,317,594	3,774,532
Gross Profit	1,153,592	4,907,117	2,225,475	1,184,206
Other Income				
Other Income	96,348	583,684	335	-
Total Other Income	96,348	583,684	335	-
Interest Expenses	-	709	38,149	28,165
Employment Costs	444,534	529,089	348,436	221,415
Consultants	15,371	75,848	116,099	62,370
Investment Write-Downs	-	-1,885,927	-88,700	-
Procurement Fee	-	-	1,429,724	1,304,992
Superannuation	42,696	50,582	37,656	26,670
Other Expenses	643,149	491,368	437,549	46,149
Total Operating Expenses	1,145,750	-738,331	2,318,914	1,689,761
Profit/(Loss) Before Tax	104,189	6,229,132	-93,104	-505,554
Analysis				
Cost of sales % of revenue	79%	63%	77%	76%
Gross Margin %	21%	37%	23%	24%
Net Profit / (Loss) Margin %	2%	46%	-1%	-10%

Notes

- The trajectory of revenue / performance shows strong growth in FY23, followed by a decline and losses in FY24 and YTD25, primarily driven by fluctuations in White Label and Bulk sales.
- Sales were impacted by a 53% decline in White Label revenue from FY23 to FY24 and a further decline in YTD25. White Label sales were highly concentrated to one key customer, Montu Group.
- Cost of sales primarily reflects wages and employment-related expenses incurred in delivering goods. These costs have generally increased year-on-year.
- Cannim Australia received a \$584k research and development (**R&D**) grant in FY23. Management have advised that the Companies are not expected to be eligible for future R&D grants.
- Procurement fees in FY24 and YTD25 are advised to be an informal fee arrangement between Cannim Australia and Cannim Canada Limited for CAD\$130k per month. This is noted further in section 7.7.
- Cannim Australia recorded a net loss in FY24 and YTD25, while reporting net profit in FY22 and FY23. However, FY23 results were inflated by a \$1.9m write-down of an investment in Medisun.

Cannim Group

Profit & Loss Summary	FY22 (\$)	FY23 (\$)	FY24 (\$)	YTD25 (\$)
Income				
Finance Income	902,277	750,567	1,534	558
Management Fee	498,398	349,299	-	-
Rental Income	204,000	192,000	23,825	-
Other Revenue	467,133	50,439	508,848	-
Total Trading Income	2,071,808	1,342,305	534,207	558
Gross Profit	2,071,808	1,342,305	534,207	558
Other Income				
Bank Interest	2,849	178	-	-
Total Other Income	2,849	178	-	-
Board Fees & Expenses	74,000	66,061	72,000	54,000
Consultants	226,356	330,845	141,718	127,599
Financial Costs	-	-	-	496,032
Insurance	5,395	34,777	61,425	63,299
Bank Interest	27,798	445,721	497,867	-153,450
Investment Write-Downs	-	150,727,835	7,576,014	374,944
Loan Note Interest	1,133,928	1,176,273	1,293,537	1,045,685
Employment Costs	1,549,950	2,249,641	2,694,901	1,143,437
Rental	112,340	138,325	148,686	114,367
Superannuation	151,017	218,178	266,616	182,827
Other Expenses	268,717	1,380,683	1,464,922	492,326
Total Operating Expenses	3,549,501	156,768,340	14,217,687	3,941,067
Profit/(Loss) Before Tax	-1,474,845	-155,425,857	-13,683,480	-3,940,509
Analysis				
GP Growth %	54%	151%	-100%	-100%
Expenses % of GP	171%	11,679%	2,661%	706,373%
Net Profit Margin % (after-tax)	-71%	-11,579%	-2,561%	-706,273%

Notes

- Trading income includes rental income, management fees, and other revenue. Trading income declined from \$2m in FY22 to \$534k in FY24, following the cessation of management fees and rental income streams.

- Other revenue in FY24 included a property gain on the disposal of 456 Rocky Gully Rd, Coominya QLD (**456 Rocky Gully**) and 379 Wills Rd, Coominya QLD (**379 Wills Rd**). A detailed analysis of these property disposals is provided in Section 7.10.
- Significant manual journals representing material write-downs in investments recorded in FY23 and FY24, totalling \$158m.
- Borrowing costs and loan note interest have consistently been high, with finance costs increasing to \$496k and loan note interest \$1m as at YTD25, reflecting reliance on convertible note funding and high-interest facilities to support working capital.
- Cannim Group experienced an accumulated net loss of \$185m from FY22 to YTD25, driven by the impairment of investments. Our preliminary findings regarding investments are provided in section 7.7 and 7.10.

4.3 Historical Analysis – Balance Sheets

Cannim Australia

Balance Sheet Summary	FY22 (\$)	FY23 (\$)	FY24 (\$)	YTD25 (\$)
Current Assets				
Cash and Cash Equivalents	404,763	12,510	-	177
Accounts Receivable	978,484	2,430,392	525,878	442,466
Inventory	2,761,941	3,044,854	1,414,253	994,863
Other Debtors	10,562	1,250	19,452	19,452
Prepayments & Deposits	48,123	32,171	52,439	62,122
Total Current Assets	4,203,873	5,521,177	2,012,023	1,519,081
Non-Current Assets				
Equipment	4,999	2,263	-	-
Other Non-Current Assets	319,564	291,742	104,388	-217,600
Total Non-Current Assets	324,563	294,005	104,388	-217,600
Total Assets	4,528,436	5,815,182	2,116,411	1,301,480
Liabilities				
Accounts Payable	444,343	849,838	288,045	1,280,194
Accruals	353,613	46,082	77,658	12,000
Loans	-	-	2,017	928
Superannuation Payable	4,536	10,332	7,819	9,427
Wages Payable	1,653	-	-	-
Customer Deposits	720,782	852,907	1,457,641	705,245
Tax Liabilities	28,022	227,440	267,416	252,139
Other Liabilities	-	-8,246	-	306
Total Current Liabilities	1,552,950	1,978,352	2,100,595	2,260,239
Cannim Intercompany	4,527,713	-1,296,209	-5,024,119	-5,437,490
Medisun Intercompany	-456,134	-	-	-
Total Non-Current Liabilities	4,071,579	-1,296,209	-5,024,119	-5,437,490
Total Liabilities	5,624,528	682,143	-2,923,524	-3,177,251
Net Assets (Liabilities)	-1,096,092	5,133,039	5,039,935	4,478,731
Analysis				
Working capital	2,650,923	3,542,825	-88,572	-741,158
Current ratio	2.7	2.8	1.0	0.7
Net assets ratio	-0.2	0.8	2.4	3.4

Notes:

- Cash and cash equivalents were negligible from FY23 to YTD25 and \$258 on our appointment.

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- Based on our review of the Cannim Australia's management accounts and collection activities to date, the debtor balance is not current. Our further commentary about debtors is withheld being commercially sensitive to our ongoing collection activities. As mentioned, the debtors are subject to non-circulating security interests asserted by Finstro.
- The primary asset is inventory, and as mentioned subject to an asserted non-circulating security interest by Finstro. Based on our review of Cannim Australia's management accounts and stock reports, the stock balance is not current. Our further commentary about inventory is withheld being commercially sensitive to ongoing asset realisation negotiations.
- Intercompany loan balances have been accruing since September 2023 and without this, Cannim Australia is net assets deficient since FY23. The intercompany loans are to Cannim Group, Cannim Ltd and Cannim Canada Limited and based on our preliminary review are not recoverable.
- Trade creditors increased from \$288k at end of December 2024, to \$972k at end of January 2025, and to \$1.2m in February 2025, and remained above \$1m since that date.
- Cannim Australia's running balance of taxation obligations has remained unchanged from FY23 to YTD25.
- Customer deposits relates to suppliers on payment terms with Cannim Australia, typically requiring a 50% deposit upfront and the balance payable 30 days from delivery. Montu Group asserted a claim for breach of a contract around January 2025 for failure to deliver specified inventory, and was seeking repayment of deposits made or offsets to be applied against future supply in excess of \$500k (total Montu Group amount being claimed including damages is currently \$842k).

Cannim Group

Balance Sheet Summary	FY22 (\$)	FY23 (\$)	FY24 (\$)	YTD25 (\$)
Current Assets				
Cash and Cash Equivalents	135,128	207,872	30,537	23,729
Imprest Account	7,222	-	-58,795	90,957
Prepayments & Deposits	45,257	71,448	73,095	132,437
Other Current Assets	752,154	772,774	12,407	69,953
Total Current Assets	939,762	1,052,093	57,244	317,076
Non-Current Assets				
Intercompany Loans	11,966,982	6,493,842	360,493	-1,204,078
Investments	143,252,665	2,216,416	923,051	923,051
Other Assets	23,866,820	3,071,843	14,009	5,948
Total Non-Current Assets	179,086,467	11,782,101	1,297,554	-275,079
Total Assets	180,026,228	12,834,195	1,354,798	41,997
Liabilities				
Accounts Payable	207,771	424,271	264,002	523,282
Accruals	730,562	596,478	896,446	476,462
Loans	1,325,000	2,265,000	3,353,102	3,490,825
Tax Liabilities	20,552	44,448	132,807	222,117
Superannuation Payable	12,394	40,954	47,982	76,047
Employment Costs	673,780	671,198	852,584	801,249
Other Payables	-	-10,653	-86	63,619
Total Current Liabilities	2,970,059	4,031,695	5,546,837	5,653,600
Loan Notes	13,019,491	13,019,491	12,446,260	12,122,722
Loan Note Interest Accrual	810,574	1,986,847	3,249,019	4,215,553
Finstro Intercompany Australia	-	-	-	375,312
Loan Notes Converted	-	-	-	1,498,348
Total Non-Current Liabilities	13,830,065	15,006,338	15,695,279	18,211,935
Total Liabilities	16,800,124	19,038,033	21,242,116	23,865,535
Net Assets (Liabilities)	163,226,104	-6,203,839	-19,887,318	-23,823,538
Analysis				
Working capital	-2,030,298	-2,979,602	-5,489,593	-5,336,525
Current ratio	0.3	0.3	0.0	0.1
Net assets ratio	0.9	-0.5	-14.7	-567.3

Notes

- Cash and cash equivalents dropped sharply from \$207k (FY23) to \$30k (FY24), to \$24k (YTD25). Actual cash at the time of our appointment was \$15k.
- The imprest account appears to relate to payments on a Director's personal credit card, which have remained relatively unchanged since January 2025.
- Intercompany advances decreased from \$12m (FY22) to \$6.5m (FY23) to \$360k (FY24), now a negative asset \$1.2m (liability) (YTD25). These relate to loans from Canada Australia, Cannim Canada Limited, and Cannim Ltd.
- Cannim Group's investments reduced from \$143m (FY22) to \$2.2m (FY23) to \$923k (FY24 and YTD25), which includes the medical clinic in Natura Doctors (Australia based) and High Science, LLC (**High Science**) (US based). We are undertaking enquiries to determine the recoverable value of the High Science investment. There were also significant write downs of investments from FY23 in excess of \$140m and these are described further in section 7.7 and 7.10.
- Other assets decreased from \$23m (FY22) to \$3m (FY23) to \$14k (FY24), and now \$6k (YTD25). This relates majority to Medisun debt and property, plant and equipment.

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- Trade creditors have steadily increased from \$266k in April 2025 to \$523k as at the date of our appointment.
- Accruals payable related to employee entitlements, which increased from \$264k in FY24 to \$523k at YTD25.
- Cannim Group's running balance of taxation obligations has increased from \$20k in FY23 to \$223k in YTD25.
- Convertible loan notes were primarily issued in FY22 to finance working capital for the JRM investment and Cannim Group operations. With an initial maturity date of 31 December 2023, the terms were amended in August 2023 to extend the maturity date to 31 December 2025. Subsequently, the terms were further amended in June 2025 to extend the maturity date to 31 December 2028.

5. Report on Company Activities and Property

5.1 Report on Company Activities & Property (ROCAP)

The Directors have provided us with a ROCAP that discloses the business, property and financial circumstances of the Companies. A Director for each company has complied with their statutory obligation to provide properly completed and signed ROCAP's to our office for each of the Companies. Copies of ROCAP's have been lodged with ASIC on 19 November 2025.

5.2 Cannim Group ROCAP

Assets and Liabilities	Note	Directors' ERV (\$)	Administrators' ERV Estimate Low (\$)	Administrators' ERV Estimate High (\$)
Assets				
Cash at Bank	5.2.1	20,712	16,652	16,652
Shares	5.2.2	1,333	Withheld	Withheld
Total Assets		22,048	TBC	TBC
Liabilities				
Secured Creditors	5.2.3	3,490,824	4,173,823	4,173,823
Priority Creditors	5.2.4	276,188	288,157	288,157
Unsecured Creditors	5.2.5	19,772,071	20,374,161	20,374,161
Total Liabilities		22,539,083	24,836,141	24,836,141
Total Surplus / (Deficiency)		(22,517,035)	TBC	TBC

5.2.1 Cannim Group Cash at Bank

The Directors advised in their ROCAP that Cannim Group held a total cash at bank of \$20,713 at the date of our appointment. We identified the following bank accounts of Cannim Group and confirmed the following balances:

Bank	Description	Balance (\$)
NAB	NAB Acc – Cannim Group (AUD)	1,448
NAB	NAB USD Acc – Cannim Group	10
NAB	Cannim Group GBP	*14,029
NAB	Cannim Group Debit Cards	208
NAB	Savings Max Cannim Group	956
NAB	Cannim Group (AUD) 7155	Nil
NAB	Cannim Group Term Deposit	Nil
NAB	FarmFacility	Nil
NAB	Term Deposit	Nil
NAB	Weel Expenses Account	1
NAB	Finstro Payments	Nil
Total		16,652

*(GBP/AUD Rate on 2025-10-27) 1 GBP = 2.03346 AUD

We have written to NAB in relation to the above-mentioned accounts and requested a sweep of Cannim Group's accounts to an administration bank account.

Liability limited by a scheme approved under Professional Standards Legislation.

5.2.2 Cannim Group Shares

Cannim Group's management accounts disclose an investment of \$712k in High Science, while the Directors have advised that the estimated realisable value is \$nil. We have sighted a signed subscription agreement and are awaiting a response to our request for further books and records to assess the recoverability of this investment.

Cannim Group's ROCAP also disclosed an investment of \$500k in Epsilon Healthcare Limited (**Epsilon**), with an estimated realisable value of \$1k. Cannim Group's management accounts record the acquisition of 5.5 million shares at \$0.09 per share on 16 December 2021. An Australian Securities Exchange (ASX) announcement indicates trading in Epsilon shares was suspended on 6 November 2023, following the appointment of SV Partners Sydney as Voluntary Administrators of subsidiaries of Epsilon. Epsilon shareholders executed a DOCA on 24 June 2024 for its subsidiaries, Epsilon Pharma Pty Ltd and Epsilon Clinics Pty Ltd, which were effectuated on 26 June 2025. Epsilon has advised that suspension remains in place while remedial actions are undertaken to address ASX requirements, with reinstatement sought when appropriate. On 19 November 2025, Epsilon released its FY24 annual statements and notified shareholders of an upcoming AGM. Cannim Group holds 1.47% of issued capital, and until ASX reinstates trading, the realisable value of the investment remains uncertain.

As these interests above, and other subsidiary investment interests of Cannim Group are the subject of an ongoing realisations process the Administrators' estimated realisable value is withheld at this time.

5.2.3 Cannim Group Secured Creditors

The Director's ROCAP disclosed that the balance owing under the various Finstro facilities as at 27 October 2025 is \$3,490,825.

Finstro has advised that the amount currently owing under the facilities is c.\$4.2m with an asserted non-circulating security over all of inventory and debtors of the Companies.

A search of the PPSR indicated the following security interests registered against Cannim Group:

Secured Party	Collateral	Registration No.	Registration Date
Finstro	All-PAP	202507110003519	11 July 2025
Finstro	Other Goods	202507110003849	11 July 2025
Finstro	Other Goods	202507110003975	11 July 2025
Finstro	Account	202507110004229	11 July 2025
Finstro	General Intangible	202507110004507	11 July 2025
Finstro	Chattel Paper	202507110004621	11 July 2025

5.2.4 Cannim Group Priority Creditors

Pursuant to Section 556 of the Act, employees have a statutory priority over ordinary unsecured creditors of Cannim Group for unpaid wages, superannuation contributions, annual leave, payment in lieu of notice, and redundancy entitlements.

The Act also provides that excluded employees, which includes company directors and their relatives, are each restricted to a total maximum priority claim of \$2,000 for unpaid wages and superannuation, and \$1,500 for annual leave entitlements. The balance of excluded claims above the statutory priority limit are treated as an ordinary unsecured claim.

The Director's ROCAP's advised of outstanding unrelated employee entitlements totalling \$269,188:

Employee Claim Type	Claim (\$)
Wages or salaries	107,137
Superannuation	56,218
Annual leave	87,534
Long service leave	18,299
Total	269,188

Our calculations of employee entitlements for the Cannim Group based on available books and records is outlined in section 6.4.

5.2.5 Cannim Group Unsecured Creditors

A Proof of Debt (POD) or claim form is attached to this report for those creditors who are yet to submit a claim and supporting documentation.

Based on the available books and records, Directors' ROCAPs and PODs received to date, we are aware of the following unsecured creditor claims:

Unsecured creditor class	Amount (\$)
Ordinary unsecured	19,763,275
Statutory unsecured	211,157
Related party unsecured	399,729
Total	20,374,161

The above includes convertible loan notes totalling c.\$17.7m of principal and accrued interest.

5.3 Cannim Australia ROCAP

Assets and Liabilities	Note	Directors' ERV (\$)	Administrators' ERV Estimate Low (\$)	Administrators' ERV Estimate High (\$)
Assets				
Cash at Bank	5.3.1	493	5,351	5,351
Inventory	5.3.2	Withheld	Withheld	Withheld
Debtors	5.3.3	Withheld	Withheld	Withheld
Total Assets		Withheld	TBC	TBC
Liabilities				
Secured Creditors	5.3.4	Nil	4,173,823	4,173,823
Priority Creditors	5.3.5	34,252	41,185	41,185
Unsecured Creditors	5.3.6	1,561,745	3,327,666	3,327,666
Total Liabilities		1,595,997	7,542,674	7,542,674
Total Surplus / (Deficiency)		155,495	TBC	TBC

5.3.1 Cannim Australia Cash at Bank

The Directors advised in their ROCAP that Cannim Australia held a total cash at bank of \$493 at the date of our appointment. We have identified the following bank accounts of Cannim Australia and confirmed the following balances:

Bank	Description	Balance (\$)
Commonwealth Bank of Australia (CBA)	Business Transaction Account	177
National Australia Bank (NAB)	Business Transaction Account	5,174
Total		5,351

We have written to NAB and CBA in relation to the above-mentioned accounts and requested a sweep of Cannim Australia accounts to the administration bank account.

5.3.2 Cannim Australia Inventory

The realisable value of inventory provided in the Directors' ROCAP and the Administrators' estimated realisable value are withheld due to our ongoing realisation process.

5.3.3 Cannim Australia Debtors

The realisable value of debtors provided in the Directors' ROCAP and the Administrators' estimated realisable value are withheld due to our ongoing realisation process.

5.3.4 Cannim Australia Secured Creditors

The Directors' ROCAP disclosed the balance owing by Cannim Group under the various Finstro facilities as at 27 October 2025 is \$3,490,825. Cannim Australia is a guarantor of the secured obligations.

Finstro has advised the amount currently owing under the facilities is c.\$4.2m with an asserted non-circulating security over all of the inventory and debtors of the Companies.

A search of the PPSR indicated the following security interests registered against Cannim Australia:

Secured Party	Collateral	Registration No.	Registration Date
Finstro	All-PAP	202507110004818	11 July 2025

5.3.5 Cannim Australia Priority Creditors

The Directors' ROCAP advised of outstanding unrelated employee entitlements totalling \$34,251:

Employee Claim Type	Claim (\$)
Wages or salaries	13,452
Superannuation	9,000
Annual leave	11,799
Long service leave	-
Total	34,251

We have conducted an initial review of Cannim Australia books and records, discussed in section 6.4.

5.3.6 Cannim Australia Unsecured Creditors

Based on the available books and records, Directors', ROCAPs and PODs received to date, we are aware of the following unsecured creditor claims:

Unsecured creditor class	Amount (\$)
Ordinary unsecured	2,238,037
Statutory unsecured	237,834
Related party unsecured	851,795
Total	3,327,666

6. Employee disclosures

6.1 Employee Priority

Employees receive a priority in a winding up or DOCA in comparison to ordinary unsecured creditors.

The order of priority for employee claims under the Act are:

- Amounts due in respect of wages, superannuation and superannuation guarantee charge outstanding as at the date of our appointment;
- Amounts due in respect of leave of absence and other amounts due under the terms of an industrial instrument; and
- Retrenchment payments.

6.2 Fair Entitlement Guarantee (FEG) Scheme

If the Companies are wound-up, in the event there are insufficient funds to meet outstanding employee entitlements immediately, employees of the Companies may be entitled to make a claim under the FEG Scheme to the Department of Employment and Workplace Relations (**DEWR**) in respect of outstanding entitlements.

Information on eligibility requirements and how to make a claim is available on FEG's website at www.dewr.gov.au/fair-entitlements-guarantee. This includes details on how to download an application form or alternatively how to complete claims online using FEG Online.

6.3 Superannuation Guarantee Charge (SGC)

Liabilities in respect of the SGC represent the unpaid compulsory superannuation contributions which forms part of an employee's salary, together with interest and other statutory charges that become payable to the ATO upon the crystallisation of the SGC.

Subject to the receipt of sufficient funds in the administration to enable the declaration of a priority dividend, we will be required to remit any outstanding SGC liabilities to the ATO and the ATO will, in turn, forward any monies received to the respective superannuation funds for each member of staff.

Compulsory superannuation liabilities (including SGC) are entitled to be paid in priority to the claims of ordinary unsecured creditors and rank equal in priority with unpaid wages. Outstanding superannuation is not covered by FEG (as detailed above).

Our preliminary review of the Companies' records indicates that the Companies have outstanding SGC liabilities in the amount of c.\$85k, inclusive of amounts payable to excluded employees as defined by the Act.

6.4 Priority Employee Creditors' Claims

Pursuant to Section 556 of the Act, employees have a statutory priority over ordinary unsecured creditors of the company for unpaid wages, superannuation contributions, annual leave, payment in lieu of notice and redundancy entitlements.

Pursuant to section 561 of the Corporations Act 2001, priority employee or entitlements claims rank ahead of amounts owed to secured creditors where distributions that may be paid out of circulating assets (generally circulating assets may include cash, inventory and debtors) are insufficient to pay those priority entitlements claims in full. As mentioned above Finstro has asserted a non-circulating security interest in the primary book value assets of the Companies, being inventory and debtors. Our preliminary view is that the asserted security interests are valid, but we are seeking formal advice to confirm that position.

We have calculated outstanding, accrued, and eligible termination payment entitlements according to the Companies' books and records and National Employment Standards under the Fair Work Ombudsman in the summary tables that follow. These calculations are preliminary and will change depending on a further review of employment contracts, records and whether the business is able to continue or the Companies are placed into liquidation.

Cannim Group

Claim Type	Priority (\$)	Director (unsecured) (\$)	Total (\$)
Superannuation	55,182	33,057	88,239
Unpaid Wages	62,576	34,589	97,165
Annual leave	121,276	320,753	442,029
Leave Loading	-	-	0
Long Service Leave	-	-	0
PILN	42,123	18,329	60,452
Redundancy	-	-	0
Total	281,157	406,729	687,885

Cannim Australia

Claim Type	Priority (\$)	Director (unsecured) (\$)	Total (\$)
Superannuation	9,000	-	9,000
Unpaid Wages	11,717	-	11,717
Annual leave	11,814	-	11,814
Leave Loading	-	-	-
Long Service Leave	-	-	-
PILN	8,654	-	8,654
Redundancy	-	-	-
Total	41,185	-	41,185

Employee creditors may contact us by email to CGPL@olveraadvisors.com to request a breakdown of their individual entitlements to assist with making a FEG claim or a claim in the administration.

6.5 Employees in a DOCA

The FEG scheme is not available for employees if the Companies executes a DOCA. The Act requires a DOCA to include a provision that to the effect that employee entitlements will have the same priority as in a liquidation. However, the Companies' employees can pass a resolution to vary this requirement.

6.6 Employees entitlements during Administration period

Superannuation and annual leave entitlements accruing in the administration period for continuing employees will be paid as a trading cost of the administration and is therefore not an entitlements claim in the administration.

7. Preliminary Investigations

Preliminary investigations have been undertaken into the affairs of the Companies to identify:

- The preliminary date of insolvency of the Companies;
- Any potential breaches of Directors' duties and other Director offences under the Act; and
- Any potential actions available to a Liquidator.

An Administrator (or Deed Administrator) does not have the power to commence proceedings to recover voidable transactions or insolvent trading claims. These recoveries can only be actioned by a Liquidator. The purpose of this section is to inform creditors of potential recoveries that may be available if creditors resolve that the Companies be wound up.

In addition, pursuant to Section 438D of the Act, we, as Voluntary Administrators, are required to report any offences that we identify to ASIC.

7.1 Scope of Investigations

We are required to report to creditors about insolvent transactions, that is, claims that arise from the insolvency which would be available only to a Liquidator if one is appointed.

Our investigations have involved:

- Interviews and correspondence with the Companies' management and Directors;
- Correspondence with creditors;
- Review of the Companies' records; and
- Review of publicly available documents regarding the Companies, including records maintained by the ASIC, Transport for NSW, NSW & QLD Land and Property Information Office, and Jamacia Land Information Office.

7.2 Limitations

While our investigations have been sufficient to allow preparation of this report and to express views as to the affairs of the Companies, they have not been exhaustive. Should creditors decide that the Companies be wound up, a Liquidator would be required to undertake more thorough investigations to determine if it would be viable both commercially, and on a legal risk assessment basis, to pursue any claims for the benefit of creditors.

7.3 Books & Records

Section 286 of the Act provides that:

“A company, registered scheme or disclosing entity must keep written financial records that:

- *Correctly record and explain its transactions and financial position and performance; and*
- *Would enable true and fair financial statements to be prepared and audited.”*

Following our appointment, we requested all books and records of the Companies from the Directors' and management to enable us to conduct our preliminary investigations in accordance with the requirements under the Act.

We have reviewed the records of the Companies to consider and identify any limits to our investigations. We are required to report any material failure to maintain records in accordance with the Act. Our review does not involve an audit or assurance review of the financial statements.

Based on an initial review of the Companies' books and records, it is our preliminary assessment that the books and records are adequate for us to form a preliminary opinion on various causes of action available to the Companies' creditors for the purposes of this report.

We have also completed a back-up of servers and computers of key staff to assist further investigations in the event the Companies are placed into liquidation.

A liquidator will conduct further investigations into any discrepancies in the Companies' books and records. A liquidator also has the power to obtain further books, records and financial accounts, and can conduct examinations of individuals with respect to the activities of the Companies.

7.4 Proof of and Date of Insolvency

Some of the recovery actions discussed in this section of the report will require a future appointed Liquidator to prove that the Companies were insolvent at the date of the identified transaction (or during a relevant period of time).

Actions that require proof of insolvency include unfair preference claims, uncommercial transaction claims and insolvent trading claims. Proving insolvency can be a complex, extensive and expensive process.

7.5 Relation-back day

If the Companies are placed into liquidation at the Second Meeting, the Liquidator will determine the “relation-back day”. The relation-back day is the reference point from which historical transactions may be voidable and may be clawed back.

On 27 October 2025, the Directors resolved to place the Companies into voluntary administration, pursuant to Section 436A of the Act. If the Companies are placed into liquidation at the Second Meeting, the relation-back day would be 27 October 2025 pursuant to Section 91 of the Act.

7.6 Unfair Preferences

A Liquidator can seek repayment from creditors whose debts have been paid at a time when the Companies were insolvent, where that creditor has received more than they would have if the Companies had been wound up and the creditor proved in the liquidation.

The creditor may defend such a claim by proving that it received the subject payment in good faith, for valuable consideration, and without suspecting or having grounds to suspect that the Companies was insolvent.

Only payments made within six months before the relation-back day are normally recoverable. However, the period extends back four years for related party creditors. In any case, allowance must be made for the “ultimate effect” of the payment, so that, where the payment has secured further supply, the value of that supply is deducted from the payment to determine the net preferential effect.

Our investigations were undertaken using bank statements and the Companies' Xero management accounts.

The following Cannim Group payments were identified as potential preference payments to creditors based on our preliminary review of the nature of the transactions:

Potential preference payments	Cannim Group	
	No. of Payments	Amount (\$)
Statutory Creditors	16	275,804
Total	16	275,804

We have identified potential preference payments to the ATO (\$246k) and NSW Revenue (\$29k) in the relation-back period. A liquidator would conduct further investigations to determine whether preference recovery claims are commercial to pursue.

The following Cannim Australia payments were identified as potential preference payments to creditors based on our preliminary review of the nature of the transactions:

Potential preference payments	Cannim Australia	
	No. of Payments	Amount (\$)
Statutory Creditors	10	189,840
Total	10	189,840

We have identified potential preference payments to the ATO (\$190k) in the relation-back period. A liquidator would conduct further investigations to determine whether preference recovery claims are commercial to pursue.

7.7 Uncommercial Transactions (\$588FB)

A transaction may be considered an uncommercial transaction within the meaning of Section 588FB of the Act if it is entered into at a time when the Companies is insolvent (or the Companies becomes insolvent as a result of entering into the transaction), and it may be expected that a reasonable person in the Companies' circumstances would not have entered into the transaction having regard to (amongst other things):

- The benefits (if any) and detriment to the Companies of entering into the transaction; and
- The respective benefits to other parties to the transaction.

Only payments made within two years before the relation-back day are normally recoverable, however, the period extends back four years for related party creditors.

Investments

We have identified transactions in the Cannim Group management accounts related to investments that may constitute uncommercial transactions. The aggregate of the transactions identified exhibiting the characteristics of potential uncommercial transactions is summarised below:

Entity	Date of Initial Advance	Relation-back Amount (\$)
JRM	30 May 2017	4,291,003
Medisun	2 March 2022	316,468
Cannim Canada Limited	15 Aug 2023	3,049,449
Cannim America	16 June 2022	386,411
Cannim GMBH	5 April 2022	1,000,199
Total		9,043,530

The transactions have been identified with reference to the bank statements and management accounts, and exhibited some of all the following characteristics:

- Recurring payments;
- Round-sum advances;
- Lack supporting documentation and adequate descriptions;
- Relate to investments made in related party entities where the purpose or nature of the wider investment or loan / fee arrangement between the entities remains unclear; and
- The investment venture failed, the investment entity is or may be insolvent, or the investment was otherwise written off in the books of Cannim Group.

We have written to the Directors and Management of Cannim Group requesting detailed further particulars to explain the transactions, purpose of investments, and reasons for failure and sought specifically the production of:

- Current / historical directorship / membership details for each entity;

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- Description of the nature of relationship with Cannim Group and copies of agreements;
- Confirmation of whether these entities are currently operating and their financial capacity;
- A copy of the Cannim Canada Limited procurement fees agreement (abovementioned fee arrangement for c.CAD\$130k per month);
- Copies of any formal contracts or other written arrangements, or investment purpose / feasibility documentation; and,
- Copies of current and historical financial information for each entity.

To date, a substantive response to all of our enquiries has not been received.

We have been advised (or identified by public record) that the entities highlighted in pink are insolvent and are being wound up by insolvency practitioners in their domiciled jurisdictions. In addition to this, we understand the Directors of Cannim Canada Limited are exploring the possibility of appointing external administrators.

A liquidator would conduct further investigations to determine the purpose of the transactions, the benefits, if any, to Cannim Group, and any potential claims that may be commercially pursued.

Further information regarding total investment advances identified and recorded investment impairments (not limited to the relation back period) is outlined in section 7.10.

Real Property Disposals

Our preliminary investigations of Cannim Group to date have identified real property disposals that warrant further investigations.

Property transaction 1

Property	Date of Purchase	Purchase / Investment Price (\$)	Date of Disposal	Sales Price (\$)
505 acres at 456 Rocky Gully Rd	29 March 2019	*800,000	18 April 2024	1,750,000
505 acres at 379 Wills Rd	March 2019	*400,000	4 March 2024	1,750,000

**Based on public information*

The sale transaction was for \$3.5m, and the recorded receipt of sales proceeds by Cannim Group was \$508k.

456 Rocky Gully Rd and 379 Wills Rd were sold together in a single transaction to an independent third party. Pursuant to 438c of the Act, we have requested information pertaining to the purchase and sale from the conveyancing solicitor, including contracts, settlement statements, and engagement terms.

Additionally, we have requested from the Directors and Management copies of settlement statements, contracts, valuations, and an explanation of where the sale proceeds were deposited. No substantive response has been received to date.

Property transaction 2

Property	Date of Purchase	Purchase / Investment Price (\$)	Date of Disposal	Sales Price (\$)
488 acres at Low Ground, Chapelton, Clarendon, Jamaica	18 April 2024	3,950,868	Agreement made 22 November 2024 Vendor statement dated 4 September 2024	1,489,602

Based on management account records and public information reviewed:

- Cannim Group invested approximately \$3.9m in the property between 2017 and 2021, including acquisition and fixture costs;
- The land was sold to a related party for c.\$1.4m (USD\$1m), with JRM receiving c.\$647k (USD\$435k) and Gregory Worton and James Worton (Directors of JRM) receiving c.\$186k (USD\$125k);
- Cannim Group disposed of 49.9% of JRM's shareholding;
- No sales proceeds for the land nor reimbursement for the fixtures are recorded as being received by Cannim Group; and,

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- The property, including land and buildings, was listed for sale at c.\$9.7m (USD\$6.3m) in or around December 2024.

We have requested from the Directors and Management settlement statements, contracts, valuations, along with an explanation of the disbursement of the sale proceeds. No substantive response has been received to date.

A liquidator would conduct further investigations to determine whether the property disposals were uncommercial and any claims able to be commercial pursued.

7.8 Unreasonable Director-Related Transactions (\$588FDA)

A transaction is an unreasonable director related transaction if:

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition, or issue by the Companies;
- The transaction is to a director or close associate of the director or for their benefit; and
- A reasonable person in the one or more of the Companies' circumstances would not have entered into the transaction having regard to the benefit or detriment to the Companies or other parties involved in the transaction.

The relation back period for unreasonable director related transactions is four years from the relation back day (being the date of the Administrators' appointment). It is important to note that unreasonable director-related claims do not carry the onus of proving that the Companies was insolvent at the relevant time.

Our preliminary investigations of Cannim Australia to date have not identified transactions that may constitute unreasonable director related transactions. A liquidator if appointed may form a different view after more detailed investigations.

Our preliminary investigations of Cannim Group to date have identified transactions that may constitute unreasonable director related transactions. The aggregate of the transactions identified exhibiting the characteristics of potential unreasonable director related transactions in the relation back period is summarised below:

Director	Transaction Description	Relation-back Amount (\$)
John Worton	Personal credit card repayments – undefined	195,444
John Worton	Personal credit card repayments - JRM expense's / payroll & statutory taxes	260,776
Total		456,220

The transactions have been identified with reference to the bank statements and management accounts, and exhibited some of all the following characteristics:

- Personal credit card expenses being reimbursed; and
- Further personal credit card reimbursements described as payments contributed to related party business expenses.

Transactions detailed in section 7.7 may also constitute unreasonable director related transactions:

- Property disposals to the benefit of related parties; and,
- Transfer or disposal of shares in JRM.

A liquidator would conduct further investigations to determine whether the transaction constitute unreasonable director related transactions and any claims able to be commercial pursued.

7.9 Unfair Loans (\$588FD)

A loan to a company may be deemed unfair if the interest on a loan, or the charges on a loan, were initially extortionate, or subsequently became extortionate because of a variation to the loan. In considering whether interest and charges are extortionate, regard must be had to conditions available in the market generally and:

- the risk to which the lender was exposed;
- the value of any security undertaken in respect of the loan;
- the term of the loan;
- the repayment schedule, and
- the reasonableness of any subsequent variations to the loan.

Our preliminary investigations to date have not identified any transactions that may constitute an unfair loan. A liquidator if appointed may form a different view after more detailed investigations of the Companies various financing activities.

7.10 Cannim Group Investments

Based on preliminary review we have identified the following significant investments, advances and subsequent impairments / write down adjustments in the Cannim Group management accounts:

Entity	Date of Initial Advance	Cash Advances Identified (\$)	Date of Write Down Adjustments	Write-down adjustment (\$)
JRM	30 May 2017	21,586,225	31 December 2023	35,160,717
Medisun	2 March 2022	352,147	31 December 2023	118,183,994
Cannim America	16 June 2022	619,372	31 December 2024	925,111
Cannim GMBH	5 April 2022	1,020,472	31 December 2024	1,059,787
Savage Cabbage	20 April 2023	1,683,167	24 December 2024	2,631,601
25,261,383				157,961,210

As mentioned in section 7.7 we have issued a comprehensive request for further information from the Directors and Management and are awaiting a substantive response detailing the purpose of the investments, and documentation supporting any arrangements and advances.

A liquidator would conduct further investigations to determine the nature of the investments and any potential claims or recoveries that may be commercially pursued.

7.11 Insolvent Trading (\$588G)

A Liquidator or creditor may pursue a claim against a director for the loss suffered by creditors resulting from the director allowing a Companies to incur a debt which is not later repaid, at a time when the Companies is insolvent, or when the director suspects, or should have suspected the insolvency. Directors can defend insolvent trading claims by showing that they had reasonable grounds to expect the debt would be paid, or that they relied on others who informed them that debts would be paid.

In deciding whether to commence an insolvent trading action against a director, a Liquidator needs to:

- Gather evidence that supports the claim;
- Have sufficient funds available to commence and prosecute an action to its conclusion; and
- Be confident that in circumstances where judgment is obtained, the director has the financial capacity to satisfy such judgment.

Creditors should note that it is the Court's role to ultimately determine the actual date of insolvency. Any insolvent trading action needs to be considered on a commercial basis and a Liquidator would need to be indemnified for their costs and any adverse costs should they be awarded. Costs associated with this type of litigation can be prohibitive and a Liquidator needs to be satisfied that they can prove insolvency, and that any judgement obtained can be satisfied, before commencing proceedings. Insolvent trading occurs when the Companies incurs a debt at a time when there are reasonable grounds to suspect that the Companies will be unable to pay the debt as and when it falls due.

It is generally accepted law that insolvency is a question of fact, to be determined in the first instance by a cash flow test, to ascertain whether the Companies can pay its debts as and when they fall due, and secondarily, by balance sheet analysis. In the case of *ASIC v Plymin* 46 ACSR 126 (at 214-5) the Court identified the following widely cited indicators that may assist in evidencing that the Companies' insolvency may not be far off:

- A history of continuing losses;
- Liquidity ratios falling below one (< 1.0);
- Overdue taxes;
- A poor relationship with its present bank, including inability to borrow further funds;
- Inability to raise further funds from existing or new shareholders;
- No access to alternative finance and an inability to raise further equity capital;
- Suppliers placing the Companies on COD, or demanding special payments before resuming supply;
- Creditors remaining unpaid outside trading terms;
- Post-dated cheques being issued;
- Cheques being dishonoured;
- Special arrangements with selected creditors;
- Solicitors' letters, summonses, judgments or warrants being issued against the Companies;

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- Payments to creditors of rounded sums not reconcilable to specific invoices; and
- An inability to produce timely and accurate financial information to demonstrate its trading performance and financial position, and to make reliable forecasts.

We have analysed the existence of the abovementioned indicators as below:

Indicator of Insolvency	Cannim Group	Cannim Australia
Continuing losses	Continuing losses since FY17 and overall accumulated loss of \$185.2m.	Losses recorded in FY24 to YTD, totaling \$599k.
Liquidity ratios below 1	Current ratio below 1.0 from December FY21.	Current ratio below 1.0 from August FY24.
Overdue commonwealth and state taxes	The ATO has lodged a proof of debt totalling \$237k which had been accruing from as early as 21 February 2024.	The ATO has lodged a proof of debt totalling \$216k which had been accruing from as early as 21 August 2024.
Poor relationship with present bank, including inability to borrow further funds	Not immediately apparent.	
Inability to raise further equity capital / No access to alternative finance	<p>The earliest date for existing convertible loan notes issued was October FY21 with \$12m raised by December FY22. The December 2023 maturity date for loan existing notes was deferred to December 2025 (in Augst 2023) and then to December 2028 (in May 2025). No significant capital was able to be raised from convertible loan notes or other equity since August 2024.</p> <p>Records indicate that shareholder approval for debt finance was provided in February 2025 along with the second deferral of the convertible loan maturity dates.</p> <p>The Finstro facilities were implemented in June 2025 and by October 2025 Cannim Group was exploring options with Finstro to either fund a Voluntary Administration restructuring process or provide a reduced payment structure until additional equity funding was able to be achieved. This facility provided no funding for the Companies to pay either part or future unsecured creditors.</p>	
Suppliers placing Companies on COD, or otherwise demanding special payments before resuming supply	Not immediately apparent.	
Creditors unpaid outside trading terms	Aged payables show significant overdue balances accumulating from around April 2025.	Aged payables show significant overdue balances accumulating from around January 2025.
Special arrangements with selected creditors	<p>In August 2023, Cannim Group deferred the maturity date for convertible loan notes from December 2023 to December 2025. A further deferral was made in May 2025, extending the maturity date to December 2028.</p> <p>ATO payment plans are evident from at least prior to April 2024 (noting an identified plan default in April 2024). Records also indicate ongoing discussions with ATO up to October 2025 seeking further payment plans or payment deferral.</p>	<p>Montu Group had a \$564k deposit refund / offset claim based on a breach of supply agreement dated around January 2025.</p> <p>ATO payment plans are evident from at least May 2023 with a default identified in August 2023, and continuing plans through to at least June 2025. Records also indicate ongoing discussions with ATO up to October 2025 seeking further payment plans or payment deferral.</p>
Solicitors' letters, summons(es), judgments or warrants issued against the Companies	Not immediately apparent.	

Indicator of Insolvency	Cannim Group	Cannim Australia
Payments to creditors of rounded sums which are not reconcilable to specific invoices	Not immediately apparent other than fee / loan payments to subsidiaries and payment plans with ATO.	
Inability to produce timely and accurate financial information to display the Companies' trading performance and financial position and make reliable forecasts.	Not immediately apparent.	

The Act provides that a company is solvent if, and only if, the company is able to pay all the company's debts, as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company can pay its debts as they become due and payable is predominantly a 'cash flow' based test; however, an assessment of a company's overall financial position is required to establish if it is insolvent at a particular date. This assessment includes considering factors such as:

- The value and nature of any assets and liabilities;
- When liabilities are due and payable;
- How much and how quickly cash can be obtained from business operations or other sources; and
- Whether any illiquidity is temporary.

The Companies operated as part of a group with Cannim Group being the primary debt holder and Cannim Australia being the primary trading entity and guarantor on the debt facilities. Given the dependency of Companies on each other, the insolvency of the Companies is intrinsically linked.

Based on our preliminary investigations the Companies were likely insolvent from at least August 2024 and likely earlier based on the following:

- The first deferral of the convertible loan note maturity date occurred in August 2023;
- No new capital was contributed since August 2024;
- All significant investments were written off by December 2024;
- FY24 saw a sharp decline in sales of White Label / Bulk product to Montu Group and further sales did not recover in FY25. Further, Montu Group asserted a claim for breach of a contract around January 2025 seeking repayment of deposits or offsets to be applied in excess of \$500k;
- The Companies has very limited available cash or cash equivalents from FY24;
- Continuing ATO payment plans were evident with the most recently approved plan being in June 2025 (noting defaults identified from April 2024, and the current overdue ATO balances have accrued from February 2024 for Cannim Group and August 2024 for Cannim Australia);
- Between January 2025 and April 2025 overdue outstanding creditor balances started to accumulate;
- In May 2025, Cannim Group obtained debt financing, to support working capital requirements, with all cash from debtor collection and stock sales going to Finstro;
- In May 2025 the convertible note maturity date was deferred for a second time to December 2028; and
- Finstro provided limited funding from June 2025, but this was primarily to support inventory purchases and not a long-term solution for declining sales and future capital requirements of the business, or able to pay down accruing creditor balances, accruing tax liabilities or convertible loan debts.

If a liquidator is appointed, further investigations will be required to identify and assess any potential insolvent trading claims.

7.12 Directors' Personal Asset and Liability Position

Costs associated with litigation can be prohibitive and a Liquidator needs to be satisfied that any judgement obtained can be satisfied, before commencing proceedings in respect of any identified causes of action.

To provide a preliminary view on the Directors' ability to meet any claim brought against them we have conducted real property searches in the states in which the Directors reside completed searches of the ASIC register to identify any shareholdings.

A liquidator if appointed would requested a statement of personal assets and liabilities to be provided by the Directors.

We summarise the searches conducted as follows:

John Henry Worton and William Kevin Worton

We have not identified any personal land holdings.

We have identified no personal shareholdings recorded on the ASIC register.

Hiran Nicholas Selvaratnam

We have identified the following personal land holding:

Suburb	Share of Asset	Mortgagor	Equity Position
Mosman, NSW, 2088	50%	CREDIT SUISSE AG	Unknown

We have identified one personal shareholding recorded on the ASIC register.

Jasper Jaap Hans De Rooij, Tariq Mohamed Zaid and Maarten Johannes Langeveld

These Directors reside outside of Australia and we have not identified any personal land holdings, or shareholdings recorded on the ASIC register.

7.13 Breach of Directors' Duties

In addition to any contractual, common law or equitable duties imposed on a director, they owe statutory duties pursuant to the Act to:

- Exercise their powers and discharge their duties with the degree of care and diligence of a reasonable person in their position (s180);
- Exercise their powers and discharge their duties in good faith in the best interests of the corporation, and for a proper purpose (s181);
- Not improperly use their position to gain an advantage for themselves or someone else; or cause detriment to the corporation (s182);
- Not improperly use any information obtained because of their position to gain an advantage for themselves or someone else; or to cause detriment to the corporation (s183);
- Not commit offences recklessly; or dishonestly fail to exercise their powers and discharge their duties in good faith in the best interests of the corporation or for a proper purpose (s184); and
- To prevent insolvent trading (s588G).

If a recovery is made for an uncommercial transaction, it is not possible to seek to recover the same amount again as a breach of Directors' duties.

The Directors' may have breached their duties / contravened the Act in the following circumstances.

Offence	Reasoning
Section 588G – Insolvent Trading	Reference is made to potential insolvent trading in section 7.11.
Sections 180 to 182 – Care and Diligence, Good Faith, Use of Position	Reference is made to transactions and investments identified in section 7.7, section 7.8, section 7.10 and section 7.11.

Further investigations would be conducted by a liquidator to determine whether a breach of duties warrants further review and/or prosecution, with consideration to any existing claims regarding the same contraventions.

A liquidator would also investigate whether any of the Companies' insurance policies may respond to any claims identified.

7.14 De-Facto Directorship and Shadow Directorship

Section 9 of the Act, defines a director as a person who is appointed to the position of a director; or unless the contrary intention appears, a person who is not validly appointed as a director if:

- They act in the position of a director (de facto director); or
- the directors of the company or body are accustomed to act in accordance with the person's instructions or wishes (shadow director).

De facto directors and shadow directors are subject to the same duties as a validly appointed director. If a shadow director or a de facto director breached their duties, the penalties are the same as those of an ordinary director if they are found to be in breach of their directors' duties, including pecuniary and criminal penalties.

From our preliminary investigations, we have not identified a likely de-facto or shadow director.

7.15 Litigation

Cannim Group is a party to an ongoing proceeding in the UK with respect to a claim by Fox & Frog Limited for unpaid purchase consideration and damages regarding the acquisition by Cannim Group of Setala Ltd and its associated companies. We understand the matter is listed to be heard on 26 November 2025. Fox & Frog Limited has submitted an interim claim in the administration for \$7.9m which is being assessed.

7.16 Reporting to ASIC

Pursuant to Section 438D of the Act, if it appears to us as Administrators that a past or present officer, employee or member may be guilty of an offence; or a person who has taken part in the formation, promotion, management or winding up of the Companies may have misapplied or retained Companies property or been guilty of negligence, default, breach of duty or trust; we are required to lodge a report on the matter with ASIC.

We have lodged a report with ASIC pursuant to 438D of the Act on 24 November 2025 based on matters outlined in this report. Should creditors be aware of any potential misconduct, they should provide full particulars to us as soon as possible.

Should the Companies be placed into liquidation, a liquidator is required to complete an investigation into the Companies' affairs and, if offences are identified, or if the Companies is unable to pay its creditors more than 50 cents in the dollar, lodge a report with ASIC pursuant to Section 533 of the Act. In accordance with Section 1274(2) of the Act, the contents of any report to ASIC are confidential as between ASIC and the appointee and are not available for inspection.

8. Estimated Returns

8.1 Estimated Statement of Position

A detailed estimated outcome statement for the Companies is provided below:

Estimated Statement of Position	Cannim Australia Liquidation ERV (\$)	Cannim Group Liquidation ERV (\$)
Non-Circulating Assets		
Inventory	Withheld	-
Debtors & Administrator Inventory Sales	Withheld	-
Investments / Shares	-	Withheld
Administrators' Remuneration, Disbursements and Legal Costs of Preserving Inventory / Debtors / Investments	(137,096)	(73,845)
Liquidators' Remuneration, Disbursements and Legal Costs of Preserving Inventory / Debtors / Investments	(20,000)	(8,000)
Amount Available from Non-Circulating Assets in favour of Secured Creditor Interests	Withheld	Withheld
Circulating Assets		
Surplus Inventory / Debtors / Investments after paying Secured Creditor	-	-
Cash at Bank	16,652	5,351
Circulating Assets Available for Employee Claims	16,652	5,531
Employee Claims by Priority		
Wages and Superannuation Claims (unrelated employees)	(117,758)	(20,717)
Shortfall for Employee / FEG Claims from Circulating Assets	(101,106)	(15,366)
Other Entitlements Ranking Equally (including any subrogating FEG Claim)	(163,399)	(20,468)
Shortfall for Employee / FEG Claims from Circulating Assets	(163,399)	(20,468)
Trading and Administration / Liquidation		
Administrators' Remuneration to the Second Meeting (excluding preservation costs above)	(143,491)	(163,306)
Liquidators' Recoveries from Voidable Transactions and Claims	TBC	TBC
Liquidators' Remuneration Proposed (excluding preservation costs above)	(30,000)	(42,000)
Estimated Available for Employee / FEG Claim Shortfall	TBC	TBC
Estimated funds available for Unsecured creditors and Secured Creditor Shortfall	TBC	TBC

Notes:

- Non-Circulating Assets comprise the inventory, debtors, and investments. Finstro have asserted a non-circulating security interest over the inventory and debtors which are usually considered circulating assets. We are seeking advice to confirm the security interests asserted. Due to our ongoing realisation process the estimated realisable amounts of all non-circulating assets have been withheld.
- The value of investments and shares is being explored and we are presently awaiting a response to information requests for more information about the investments. Due to our ongoing realisation process the estimated realisable amounts of investments and shares have been withheld.
- Administrators' / Liquidators' costs of preserving the inventory / debtors / investments include time cost and legal cost spent and anticipated, to manage and collect the debtors, preserve inventory warehousing and distribution networks, explore options for the sale of the inventory, preserve the value of shares and investments including the current group international subsidiaries, and exploring options to realise the investments.
- Cash at bank refers to recovered cash from the Companies' pre- administration bank accounts.

- Employee claims amounts refers to the Administrators' preliminary calculation of employee entitlements in section 6.4.
- Administrators' and Liquidators' remuneration is as proposed in section 12 and the Remuneration Report in **Annexure 5**.
- Liquidators' recoveries refers to claims and legal action that only a Liquidator can commence and outlined in section 7. Our investigations to date are preliminary so the value of any claim and associated costs cannot be reasonably estimated at this time.

Returns to employees/FEG claims and unsecured creditors will be dependent upon:

- Any surplus from a sale of business / assets available after the secured creditors' interests in the non-circulating assets;
- Final calculations of employee entitlements; and
- Surplus funds available from Liquidators' recoveries after costs of recovery and legal costs.

9. Administrators' Statement and Opinion

9.1 Options Available to Creditors

At the Second Meeting of creditors, the Companies' creditors will decide whether:

- The Companies should execute a DOCA; or
- The Administration should end; or
- The Companies should be wound up.

This report contains the information known to us that we consider will enable all creditors to make an informed decision about each option.

In accordance with Insolvency Practice Rules (Corporations) 2016 s 75-225(3), we must provide a statement setting out our opinion about each of the three options above, whether each option is in the creditors' interest and our reasons for those opinions.

9.2 Administrators' Opinion

Opinion 1 - Whether the Companies should execute a DOCA

- We **do not** consider it would be in the creditors' interests for either of the Companies to execute a DOCA as no viable DOCA has been proposed.

Opinion 2 - Whether the Administration should end

- We **do not** consider it would be in the creditors' interests for the Administration to end for either company, as the Companies are insolvent. Returning control of the Companies to the Directors would not solve the Companies' liquidity problems or provide a forum for dealing with creditor claims;
- Resolving to end the administration would leave the Companies vulnerable to some other form of external administration; and
- Further investigation into the affairs of the Companies is only possible in liquidation.

Opinion 3 - Whether the Companies should be wound up

- We **do** consider it would be in creditors' interests for each of the Companies to be wound up as no DOCA has been proposed and the Companies are insolvent; and
- A Liquidator is still able to realise assets of the Companies and make recoveries for the benefit of creditors.

The future of the Companies will be decided by creditors at the Second Meeting to be held on Monday, 1 December 2025.

9.3 Option for adjournment of the meeting

At the Second Meeting, creditors may vote to pass a resolution that the meeting be adjourned for up to 45 business days to allow more time to make a decision on the future of the Companies. The Administrators may also exercise their powers to adjourn the Second Meeting.

An adjournment would add to the costs of the administration and in doing so, reduce the funds available to be distributed to creditors. It is further noted that an adjournment would delay any outcome of the future of the Companies and in doing so, delay any return to creditors. Moreover, such extension would delay when employees could make any applicable claim under FEG, as the Companies must be in liquidation before an employee may lodge such a claim.

As such we shall take into account the potential benefits of an adjournment prior to recommending that at the Second Meeting. In addition, the Administrators would need to be funded to meet any ongoing trading costs for any adjournment period.

While there may be a potential forthcoming DOCA proposal, we have not been provided with any proposed terms including how the administration of the Companies will continue to be funded past the Second Meeting of creditors.

10. Other Material Information

We are not aware of any other information that is materially relevant for creditors to make an informed decision on the Companies' future.

Any creditor that may have material information in relation to this matter should forward details to this office urgently.

11. Second Meeting of Creditors

This report provides our opinion and recommendation on the future of the Companies. It is the Companies' creditors who will ultimately decide on the future of the Companies at the Second Meeting or any adjourned meeting.

The Second Meeting of creditors of the Companies will **be held via Microsoft Teams on Monday, 1 December 2025 at 11:00 AM (AEDT)**. The purpose of this meeting is to:

- Discuss this report and the administration to date;
- Determine the future of the Companies;
- Consider and pass resolutions in respect of our remuneration; and
- Consider and pass a resolution for the early destruction of the Companies' books and records (if applicable).

To participate as a creditor at the meeting, you should:

- Provide us with a Form 535 - Proof of Debt Form detailing your claim to be a creditor. A Proof of Debt is enclosed as Annexure 4. If you have previously provided a Proof of Debt and wish to supplement it, you may do so. Otherwise, creditors whose proofs were accepted for voting at the first meeting are not required to re-lodge a Proof of Debt for the Second Meeting.

In accordance with IPR 75-85, only those creditors who have lodged a formal Proof of Debt or Claim are entitled to vote at the meeting of creditors. Creditors who have not lodged a Proof of Debt form to date are requested to complete this form and lodge it with our office or alternatively with the Chairperson at the meeting of creditors.

- Attend the meeting via *Microsoft Teams* and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532, a copy of which is attached as Annexure 2. It is necessary for all creditors to submit new proxies for this meeting. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of the proposal.
- Proxy forms must be lodged at our office by no later than **4:00 PM (AEDT) on Friday, 28 November 2025**.
- An attorney of a creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

We request that all documentation is received by us no later than **4:00 PM (AEDT) on Friday, 28 November 2025** to facilitate checking and recording.

12. Remuneration of the Administrators / Liquidators

Section 449E(1) of the Act states as follows:

“The Administrator of a company under administration, or of a deed of company arrangement, is entitled to:

- Such remuneration as is fixed by a resolution of the Companies’ creditors passed at a meeting convened under IPR 75-225, or under Section 439A or 445F, as the case maybe; or
- If no remuneration is fixed – such remuneration as the Court fixes on the application of the Administrator.

Remuneration approval sought for Cannim Group	Reference	Amount (plus GST)
Voluntary Administrators’ Remuneration		
Resolution 1: Administrators’ Remuneration – 27 October 2025 - 23 November 2025	Schedule A	\$217,150
Resolution 2: Administrators’ Remuneration – 24 November 2025 – 1 December 2025	Schedule B	\$20,000
Total Voluntary Administrators’ Remuneration		\$237,150
Liquidators’ Proposed Remuneration		
Resolution 3: Liquidators’ Remuneration – 2 December 2025 - Finalisation	Schedule C	\$50,000
Total Liquidators’ Proposed Remuneration		\$50,000

We will be seeking approval of the above resolutions at the upcoming meeting of creditors.

Remuneration approval sought for Cannim Australia	Reference	Amount (plus GST)
Voluntary Administrators’ Remuneration		
Resolution 4: Administrators’ Remuneration – 27 October 2025 - 23 November 2025	Schedule D	\$260,586
Resolution 5: Administrators’ Remuneration – 24 November 2025 – 1 December 2025	Schedule E	\$20,000
Total Voluntary Administrators’ Remuneration		\$280,586
Liquidators’ Proposed Remuneration		
Resolution 6: Liquidators’ Remuneration – 2 December 2025 - Finalisation	Schedule F	\$50,000
Total Liquidators’ Proposed Remuneration		\$50,000

In compliance with the Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report for the Companies as **Annexure 5** which details the major tasks that have been and will be conducted in this administration.

Our remuneration is calculated by reference to the time spent by staff at the hourly rates applied by Olvera Advisors, as detailed in the Remuneration Matrix. A schedule of hourly rates is also attached to the Remuneration Report.

To date, our remuneration has been calculated on a “Time-Cost” basis, and we propose that it continue to be calculated on this basis. the Time-Cost method for calculating remuneration reflects the cost to the firm of the work undertaken, rather than a measure of the assets realised.

In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For further information, ASIC and ARITA information sheets that relate to administrations and remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- https://www.arita.com.au/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx

Liability limited by a scheme approved under Professional Standards Legislation.

13. Creditor Information Sheets

The Australian Restructuring Insolvency and Turnaround Association (**ARITA**) has the following Information Sheets which can assist creditors with reading this report:

- Offences, Recoverable Transactions and Insolvent Trading; and
- Approving Remuneration of an External Administrator.

These information Sheets are available for download at www.arita.com.au. If you are unable to download any of these information sheets, please contact this office for assistance.

14. Finalisation of the Administration

In conclusion, we reiterate that it is our recommendation that creditors should resolve that the Companies be placed into liquidation at the forthcoming Second Meeting to be held on 1 December 2025 at 11.00am.

If you have any queries with respect to the administration or this report, please do not hesitate to contact Mr Harry Bruton of this office via phone (02) 8880 4078 or by email at CGPL@olveraadvisors.com.

Dated this 24th day of November 2025



RAJIV GAYOL
Joint and Several Voluntary Administrator

Annexure 1

**CANNIM GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 619 486 305
CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 624 059 632
(the Companies)**

DETAILS OF THE SECOND MEETING OF CREDITORS

In accordance with Section 439A of the *Corporations Act 2001* (Cth), a second meeting of creditors of the Companies will **be held on Monday, 1 December 2025 at 11:00AM (AEDT)**.

The meeting will be conducted using virtual meeting technology and creditors will be able to attend by Microsoft Teams.

To attend the meeting by virtual meeting technology, please contact Mr Harry Bruton as soon as possible at CGPL@olveraadvisors.com.

Reason for convening the meeting

The purpose of the meeting is to decide the Companies' future. At the meeting, creditors will have an opportunity to vote on whether the Companies should enter into a deed of company arrangement, whether the administration should end, or whether the Companies should be wound up and a liquidator appointed. The Administrators' opinion on each alternative is provided in the report to creditors enclosed.

The following documents are enclosed:

- Notice of meeting of creditors of company under external administration
- Proof of debt or claim form for lodging particulars of your debt or claim
- Appointment of proxy
- Guidance sheet to help you with completing your proof of debt and proxy forms

The notice of the meeting includes the agenda for the meeting and the resolutions to be considered.

The Administrators will become the deed administrators or liquidators of the Companies unless creditors pass a resolution at the meeting appointing someone else. Creditors have the option of appointing an alternate person as deed administrator or liquidator only where another independent insolvency practitioner (who is qualified as a registered liquidator) consents in writing in advance.

What you should do in order to vote and participate in the meeting

To be able to vote on the resolutions being proposed and to participate in the meeting, please complete and return your proof of debt form and, if applicable, your proxy form by no later than **4:00 PM (AEDT) on Friday, 28 November 2025**.

To record your vote on a resolution in advance of the meeting, please complete the voting instructions on the proxy form and return the proxy form to us.

Proxy forms submitted for the first meeting of creditors are not valid for this meeting. If you have already submitted a proof of debt in the administration, you do not need to submit another for this meeting.

Please complete and return all forms and documentation by email, where possible. Other options are available if you are unable to return them by email, including an address for delivery or sending by post. Please telephone us if you intend to post your forms and documentation.

Address and contact details are provided in the accompanying Notice of Meeting of Creditors, including the contact person for any questions about the meeting.

**CANNIM GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 619 486 305
CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 624 059 632
(the Companies)**

NOTICE OF MEETING OF CREDITORS OF COMPANY UNDER EXTERNAL ADMINISTRATION

Notice is now given that a second meeting of creditors of the Companies **will be held via Microsoft Teams on Monday, 1 December 2025 at 11:00AM (AEDT).**

Attendance at the meeting using virtual meeting technology:

The meeting will be conducted using virtual meeting technology and creditors will be able to attend virtually.

To attend the meeting by virtual meeting technology, please contact Mr Harry Bruton as soon as possible at CGPL@olveraadvisors.com.

Purpose for which the meeting is being convened:

1. to receive the report by the Administrator(s) about the business, property, affairs and financial circumstances of the Companies; and
2. to receive a statement of Administrators opinion and reasons for the opinion:
 - a. whether it would be in the creditors' interests for the Companies to execute a deed of company arrangement;
 - b. whether it would be in the creditors' interests for the administration to end;
 - c. whether it would be in the creditors' interests for the companies to be wound up;
3. to receive a statement of such other information known to the administrator as will enable the creditors to make an informed decision about the matters at paragraphs 2(a) – (c) above;
4. to receive details of any transactions that appear to the Administrator(s) to be a voidable transaction in respect of which money, property, or other benefits may be recoverable by a liquidator under part 5.7B of the Act
5. to receive details of any proposed deed of company arrangement; and
6. for the creditors of the Companies to resolve that:
 - a. the Companies execute a deed of company arrangement; or
 - b. the administrations should end; or
 - c. the Companies be wound up.

Other matters:

1. to determine the remuneration of the administrators
2. to determine the future remuneration of the administrators
3. to determine the deed administrators and or liquidators future remuneration if appointed
4. to consider the appointment of an alternative deed administrator(s) or liquidator(s)
5. any other business

Attending and participating using virtual meeting technology:

1. Creditors wishing to attend and participate in the meeting by virtual meeting technology are to contact Mr Harry Bruton of this office on CGPL@olveraadvisors.com.

Creditors will be able to participate in a vote taken at the meeting and speak and ask questions at the meeting (where they are entitled to do so) via the facilities that will be used. Details will be explained at the beginning of and during the meeting as required.

Votes taken at the meeting must be taken on a poll (if requested by a person entitled to do so), or otherwise, on a show of hands. A vote on a show of hands may be taken using electronic mechanisms.

Return of meeting forms and documents (including proof of debt and proxy forms):

2. To be able to vote on the resolutions being proposed and to participate in the meeting, please complete and return all proof of debt forms and, if applicable, proxy forms to us by **Friday, 28 November 2025 at 4:00 PM (AEDT)**.
3. To record your vote on a resolution in advance of the meeting, complete the voting instructions on the proxy form and return the proxy form to us.

Proxy forms submitted for the first meeting of creditors are not valid for this meeting. If you have already submitted a proof of debt in the administration, you do not need to submit another for this meeting.

Please complete and return all forms and documentation by email to CGPL@olveraadvisors.com

Other options are provided below if you are unable to return your forms and documentation by email, including an address for delivery or sending by post. Please telephone us if you intend to post your forms and documentation. Contact details for any queries about the meeting are also provided.

Cannim Group Pty Ltd (Administrators Appointed)
Cannim Australia Pty Ltd (Administrators Appointed)
c/- Olvera Advisors
Level 10, 55 Clarence Street, Sydney NSW 2000

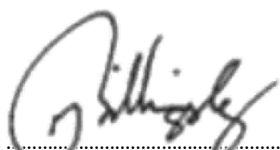
Phone: (02) 8880 4070

Name: Mr Harry Bruton

Email: CGPL@olveraadvisors.com

The forms and documents accompanying this notice also provide information about participating in the meeting and guidance for completing proof of debt and proxy forms.

Dated this 24th day of November 2025



MICHAEL JAMES BILLINGSLEY

Joint and Several Administrator

Olvera Advisors

Level 10, 55 Clarence Street Sydney NSW 2000

**CANNIM GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 619 486 305
CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 624 059 632
(the Companies)**

COMPLETING PROOF OF DEBT AND PROXY FORMS

Proof of Debt or Claim Form

You need to provide us with details of your debt/claim to be able to vote at a meeting of creditors.

Please read the information on the entitlement to vote included in the notice of meeting.

In a voluntary administration, details of your debt/claim is provided informally as an Administrator does not make any distributions to creditors of the Companies. Any admission of your debt/claim for voting purposes is not a formal admission of your debt/claim for the purpose of making any payment of your debt/claim.

Please describe how your debt/claim arose and include information that helps to substantiate the amount you are claiming. If you hold a security interest in the Companies' property, or hold any personal guarantees or indemnities, please also include details of these. If a debt has been assigned to you from another party you will need to give evidence in writing in relation to the debt and the consideration given for the assignment of the debt. This is required to determine the amount you are entitled to vote for at the meeting.

Information that may help to substantiate your debt/claim include: correspondence about your debt/claim, unpaid invoices, statements, purchase orders and associated correspondence, leases, contracts and other agreements, terms of trade, any court order or judgement in your favour, details of any PPSR registrations.

Please include a list of any documents attached and indicate how many pages there are in total.

Appointment of Proxy

You must complete a proxy form if you intend to appoint another person to act on your behalf at the meeting. The appointment of the proxy is only valid for the meeting indicated or any adjournment of that meeting.

Requirements for companies, firms and other entities

A person will need to be appointed as the representative. For companies (which will include most firms), the proxy form is to be signed in accordance with section 127 of the *Corporations Act 2001* (Cth). A person may also be authorised to act as the representative in accordance with section 250D of the *Corporations Act 2001* (Cth) – if so, please provide details of the authority. For non-corporate entities, the proxy is to be signed by one or more authorised persons. For a partnership, this includes one or more authorised partners.

Representation by attorney

If you wish to be represented at the meeting by an attorney, you must arrange for the power of attorney to be produced to the Administrators at or before the meeting.

Appointing a general proxy or special proxy to act for you at the meeting

You may appoint a general or special proxy. A general proxy will vote on matters at the meeting at their discretion. A special proxy votes in accordance with the directions you give.

If you wish to appoint a special proxy please ensure that you select the applicable box for each resolution on the proxy form. If necessary, you may attach additional details explaining how you wish the special proxy to vote on particular resolutions or in particular circumstances.

Option of appointing the chairperson as your proxy to represent you at the meeting

You may choose to appoint the chairperson of the meeting as your proxy if you wish. The Administrator (or sometimes a member of their staff) will be the chairperson. The chairperson can be appointed as a general proxy or a special proxy. However, please note the chairperson may not be able to vote on certain resolutions where they are appointed as your general proxy. If you have any questions about appointing the chairperson please contact this office.

Annexure 2

CANNIM GROUP PTY LTD ACN 619 486 305 (ADMINISTRATORS APPOINTED)
CANNIM AUSTRALIA PTY LTD ACN 624 059 632 (ADMINISTRATORS APPOINTED)
("the Companies")

APPOINTMENT OF PROXY

DEBTOR COMPANY	
CANNIM GROUP PTY LTD ACN 619 486 305	<input type="checkbox"/>
CANNIM AUSTRALIA PTY LTD ACN 624 059 632	<input type="checkbox"/>

*I / *We (insert full name)

of (insert address).....

a creditor of the Company, appoint (insert name, address and description of the person appointed)

.....

or in his or her absence (insert name, address and description of the alternate proxy)

.....

as *my / *our ☐ *general proxy / ☐ *special proxy to vote at the meeting of creditors to be held on Monday, 1 December 2025 at 11:00 AM (AEDT) or at any adjournment of that meeting.

(if a special proxy complete the voting instructions below for the particular resolutions by selecting the applicable box).

SPECIAL PROXY – VOTING INSTRUCTIONS

For Against Abstain

Future of the Company

1. For creditors of the Company to resolve that:

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| a) the Company execute a deed of company arrangement (not recommended) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) the administration should end (not recommended) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) the Company be wound up and the Administrators be appointed as the joint and several Liquidators (recommended) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Cannim Group - Administrators' Remuneration and Disbursements

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 2. "That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 27 October 2025 to 23 November 2025, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, be fixed and approved at \$217,150 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred at their discretion." | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. "That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 24 November 2025 to 1 December 2025 be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

dated 24 November 2025, and approved to an interim cap of \$20,000 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred at their discretion."

4. "That the Joint and Several Voluntary Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued." ☐ ☐ ☐

Cannim Group - Liquidators' Remuneration and Disbursements

5. "That the remuneration of the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 2 December 2025 to the finalisation of the liquidation, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$50,000 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when required." ☐ ☐ ☐
6. "That the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued." ☐ ☐ ☐

Cannim Australia - Administrators' Remuneration and Disbursements

7. "That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 27 October 2025 to 23 November 2025, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, be fixed and approved at \$260,586 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred at their discretion." ☐ ☐ ☐
8. "That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 24 November 2025 to 1 December 2025 be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$20,000 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred at their discretion." ☐ ☐ ☐
9. "That the Joint and Several Voluntary Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued." ☐ ☐ ☐

Cannim Australia - Liquidators' Remuneration and Disbursements

10. "That the remuneration of the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 2 December 2025 to the finalisation of the liquidation, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$50,000 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when required." ☐ ☐ ☐
11. "That the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal ☐ ☐ ☐

disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued."

Dated:

Name of authorised person/s:

Signature/s:

Annexure 3

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES (DIRRI)

CANNIM GROUP PTY LTD ACN 619 486 305 CANNIM AUSTRALIA PTY LTD ACN 624 059 632 (ADMINISTRATORS APPOINTED) (the Companies)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Companies and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our principals, and our firm, Olvera Advisors Pty Ltd.

A. Independence

We have assessed our independence, and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. Circumstances of appointment

How we received this appointment

The appointment was referred to us by the Companies' secured creditor, Finstro Securities Pty Ltd (**the Referrer**).

We believe that this referral does not result in a conflict of interest or duty because:

- the referral was unconditional; and
- referrals within the business community are commonplace and do not impact our independence in carrying out our duty as administrators.

There is no expectation, agreement or understanding between our firm and the Referrer regarding the conduct of the voluntary administration, and we are free to act independently and in accordance with the law and applicable professional standards.

Did we meet with the Company, the directors or their advisers before we were appointed?

☒ Yes ☐ No

Prior to our appointment we had the following meetings and discussions:

On 23 October 2025, Mr Rajiv Goyal and Michael Billingsley held a telephone call with Mr John Worton (**Companies' Director**) and Mr Andrew Yap (**Companies' CFO**) to discuss the solvency position of the Companies and options available to it.

Further that evening, Mr Billingsley and his Olvera staff had a call with the Board of Directors of the Companies to provide an overview of the insolvency process and answer general queries.

On 24 October 2025, Mr Goyal, Mr Billingsley and their staff had a meeting with Mr Worton at Olvera Offices. Mr Yap dialled into the meeting via Teams. The purpose of the meeting was to discuss:

- the Companies business
- the Companies financial position
- the prospect of a Voluntary Administration of the Companies
- the Companies likely ability to continue to trade following any formal appointment

Mr Goyal also held various meetings and calls between 15 October 2025 to the date of appointment with the secured creditor regarding the Companies, potential appointment and funding requirements to trade on the business.

No remuneration was received for the above matters.

In our opinion, these matters do not affect our independence for the following reasons:

- the Courts and relevant professional bodies specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting an appointment
- the nature of the discussions and meetings are such that their contents would not be subject to review and challenge during the course of this appointment
- the pre-appointment discussions and meetings do not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with this appointment in an objective and impartial manner.

We have provided no other information or advice to the Company, the Directors or their advisors prior to our appointment beyond that outlined in this document.

C. Declaration of Relationships

Within the previous two years, have we, or our firm, had a relationship with:	
Cannim Group Pty Ltd	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Cannim Australia Pty Ltd	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The current/former directors of the Companies	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Any associates of Cannim Group Pty Ltd or Cannim Australia Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A former insolvency practitioner appointed to Cannim Group Pty Ltd or Cannim Australia Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole or substantially the whole property of Cannim Group Pty Ltd or Cannim Australia Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do we have any other relationships that we consider are relevant to creditors assessing our independence?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

D. Indemnities and up-front payments

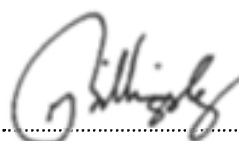
We have been provided with the following indemnity for the purpose of meeting our voluntary administrations fees and expenses.

Name	Relationship with the Companies	Nature of indemnity or payment
Finstro Securities Pty Ltd	Secured Creditor to the Companies	<p>The Secured creditor has agreed to provide \$335,000 to partially cover the costs of my initial remuneration and expenses associated with the Voluntary Administration of the Companies.</p> <p>These funds will be held in the respective administration bank accounts and will not be drawn to meet my remuneration until such time that it is approved by creditors.</p> <p>There are no conditions on the conduct or outcome of the administration attached to the provision of these funds.</p>

Dated: 29th day of October 2025



RAJIV GOYAL
 Joint & Several Administrator



MICHAEL JAMES BILLINGSLEY
 Joint & Several Administrator



NEIL ROBERT CUSSEN
 Joint & Several Administrator

Notes:

1. *The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
2. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

Annexure 4

**FORM 535
CORPORATIONS ACT 2001**

*Section 600G
Subregulation 5.6.49(2)*

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrator of CANNIM GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 619 486 305

1. This is to state that the company was, on 27 October 2025 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

('Creditor'):

of (full address)

for \$.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:
Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐ I am **not** a related creditor of the Company ⁽⁵⁾

☐ I am a related creditor of the Company ⁽⁵⁾

relationship:

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

If yes, attach written evidence of the debt, the assignment and consideration given.

☐ Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay \$ for the debt?)

3A.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2025

Signature of Signatory

NAME IN BLOCK LETTERS.....

Occupation

Address

RECEIVE REPORTS BY EMAIL

Do you wish to receive all future reports and correspondence via email?

Yes ☐ No ☐

Email:

See Directions overleaf for the completion of this form

OFFICE USE ONLY POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) - Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

**FORM 535
CORPORATIONS ACT 2001**

*Section 600G
Subregulation 5.6.49(2)*

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrator of CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 624 059 632

1. This is to state that the company was, on 27 October 2025 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

('Creditor'):

of (full address)

for \$.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:
Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐ I am **not** a related creditor of the Company ⁽⁵⁾

☐ I am a related creditor of the Company ⁽⁵⁾

relationship:

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

If yes, attach written evidence of the debt, the assignment and consideration given.

☐ Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay \$ for the debt?)

3A.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2025

Signature of Signatory

NAME IN BLOCK LETTERS.....

Occupation

Address

RECEIVE REPORTS BY EMAIL

Do you wish to receive all future reports and correspondence via email?

Yes ☐ No ☐

Email:

See Directions overleaf for the completion of this form

OFFICE USE ONLY POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) - Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

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 - (a) have an identifying mark;
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 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
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 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Annexure 5

24 November 2025

**CANNIM GROUP PTY LTD (ADMINISTRATORS APPOINTED) ACN 619 486 305
CANNIM AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) ACN 624 059 632
(the Companies)**

REMUNERATION APPROVAL REPORT

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the Administration of the Companies.

This report has the following information:

Contents

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Part 5: Queries.....	8
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Part 7: Olvera Advisors schedule of hourly rates as at 1 July 2024.....	33

What do you need to do next?

You should read this report and other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meetings. The meetings will also give you an opportunity to ask any questions that you may have. Alternatively, you are also able to appoint a representative to attend on your behalf by submitting a proxy form. Submitting a general proxy form allows your representative to chose how your vote is exercised.

If you have any questions or need any assistance with understanding the materials we have sent to you, please contact our office on 02 8325 0022.

Part 1: Declaration

Rajiv Goyal, Neil Robert Cussen, and Michael James Billingsley (**Administrators/we/us/our**), have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of the Companies in accordance with the law and applicable professional standards.

We are satisfied that the remuneration claimed is necessary and proper. We have reviewed the work in progress detailed for the administration to ensure that remuneration is only being claimed for necessary and proper work performed.

Part 2: Executive summary

2.1 Remuneration approval sought

We are asking creditors to approve the following remuneration and internal disbursements:

Approvals sought	Remuneration (plus GST)	Disbursements (plus GST)
Cannim Group Pty Ltd (Cannim Group)		
Voluntary administration from 27 October 2025 to 23 November 2025	\$217,150	\$500
Voluntary administration from 24 November 2025 to the meeting on 1 December 2025	\$20,000	-
Liquidation	\$50,000	\$500
Cannim Australia Pty Ltd (Cannim Australia)		
Voluntary administration from 27 October 2025 to 23 November 2025	\$260,586	\$500
Voluntary administration from 24 November 2025 to the meeting on 1 December 2025	\$20,000	-
Liquidation	\$50,000	\$500

2.2 Total remuneration estimate

Cannim Group

We estimate that our total remuneration for the voluntary administration for the Cannim Group to be \$237,150 (plus GST) and our remuneration for any future liquidation will total \$50,000 (plus GST) for the period of the liquidation.

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration.

Cannim Australia

We estimate that our total remuneration for the voluntary administration for Cannim Australia to be \$280,586 (plus GST) and our remuneration for any future liquidation will total \$50,000 (plus GST) for the period of the liquidation.

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration.

The actual remuneration incurred has exceeded the initial estimate of \$100,000 (plus GST) for each entity due to an extensive sales campaign and trading both entities internationally, as well as the extended scope of work required to preserve and realise value for creditors.

A substantial amount of additional time and resources was required to trade the business for an extended period to maintain operations and protect asset value. This included ongoing management of staff, suppliers, inventory, and compliance requirements during the trading period.

Significant further time was also incurred in conducting an extensive sale campaign. The process involved close engagement with multiple interested parties, detailed due diligence support, and substantial work in relation to the Companies' stock, specialised licences, and regulatory obligations, which were particularly complex given the nature of the industry.

In parallel, a considerable effort was required to pursue and recover outstanding debtor balances, and investigations into the Companies' affairs revealed additional layers of complexity requiring detailed analysis and stakeholder engagement.

These factors collectively resulted in professional time and costs exceeding the original estimate.

Part 3: Remuneration

3.1 Details of remuneration

We are asking creditors to approve our remuneration as set out below:

Remuneration approval sought	Reference	Amount (plus GST)
Cannim Group		
Resolution 1: Administrators' Remuneration – 27 October 2025 - 23 November 2025	Schedule A	\$217,150
Resolution 2: Administrators' Remuneration – 24 November 2025 – 1 December 2025	Schedule B	\$20,000
Resolution 3: Liquidators' Remuneration – 2 December 2025 - Finalisation	Schedule C	\$50,000
Total Remuneration for Cannim Group		\$287,150
Cannim Australia		
Resolution 4: Administrators' Remuneration – 27 October 2025 - 23 November 2025	Schedule D	\$260,586
Resolution 5: Administrators' Remuneration – 24 November 2025 – 1 December 2025	Schedule E	\$20,000
Resolution 6: Liquidators' Remuneration – 2 December 2025 - Finalisation	Schedule F	\$50,000
Total Remuneration for Cannim Australia		\$330,586

Note: Approval for future remuneration is based upon an estimate of the work necessary for the period to the specified milestone or date. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Approval of the resolution for the liquidation will only be sought where creditors place the Companies into liquidation.

Internal disbursement approval sought	Reference	Amount (plus GST)
Cannim Group		
Resolution 7: Internal disbursement for the period of the Voluntary Administration	Part 4	\$500
Resolution 8: Internal disbursement for the period of the liquidation	Part 4	\$500
Cannim Australia		
Resolution 9: Internal disbursement for the period of the Voluntary Administration	Part 4	\$500
Resolution 10: Internal disbursement for the period of the liquidation	Part 4	\$500

Note: Approval for future internal disbursements is based upon an estimate of the internal disbursements that will be incurred for the period to the specified milestone or date. Should additional internal disbursements be incurred beyond what is contemplated, further approval may be sought from creditors.

We have allocated our work between the following categories:

- Administration;
- Assets;
- Employees;
- Creditors;
- Trade-on;

- Dividends; and
- Investigations.

These categories are devised to enable creditors to understand the type and purpose of work being undertaken by us throughout the Administration and future Liquidation.

Pursuant to Section 70-45 of the Insolvency Practice Rules (Corporations) 2016, we are required to submit to Creditors a summary description of the major tasks performed, or likely to be performed, by the Administrators/Liquidators and the costs associated with each of those tasks.

The basis of calculating the remuneration claims is summarised below and the details of the major tasks performed, and the costs associated with each of those major tasks are contained in Schedules from A to F.

Resolution 1: Cannim Group - Retrospective Administrators' Remuneration

The below table sets out the estimated costs for the major task areas performed by the Administrators and their staff for the period 27 October 2025 to 23 November 2025, and further detailed descriptions of the tasks performed within each task area are contained in Schedule A.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Trade-on	
Cannim Group	48,091	57,702	29,351	27,953	8,546	45,507	217,150

Resolution 2: Cannim Group - Prospective Administrators' Remuneration

The below table sets out the estimated costs for the major task areas likely to be performed by the Administrators and their staff in the period 24 November 2025 to 1 December 2025. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule B.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Trade-on	
Cannim Group	2,000	10,000	2,000	2,000	2,000	2,000	20,000

Resolution 3: Cannim Group - Prospective Liquidators' Remuneration

The below table sets out the estimated costs for the major task areas likely to be performed by the prospective Liquidators and their staff for the period 2 December 2025 to the finalisation of the liquidation. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule C.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Dividend	
Cannim Group	8,000	8,000	10,000	8,000	8,000	8,000	50,000

Resolution 4: Cannim Australia - Retrospective Administrators' Remuneration

The below table sets out the estimated costs for the major task areas performed by the Administrators and their staff for the period 27 October 2025 to 23 November 2025, and further detailed descriptions of the tasks performed within each task area are contained in Schedule D.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Trade-on	
Cannim Australia	96,622	47,227	18,218	22,706	867	74,947	260,586

Resolution 5: Cannim Australia - Prospective Administrators' Remuneration

The below table sets out the estimated costs for the major task areas likely to be performed by the Administrators and their staff in the period 24 November 2025 to 1 December 2025. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule E.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Trade-on	
Cannim Australia	2,000	10,000	2,000	2,000	2,000	2,000	20,000

Resolution 6: Cannim Australia - Prospective Liquidators' Remuneration

The below table sets out the estimated costs for the major task areas likely to be performed by the prospective Liquidators and their staff for the period 2 December 2025 to the finalisation of the liquidation. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule F.

Company	Task Area						Total (\$) (plus GST)
	Assets	Creditors	Investigation	Administration	Employees	Dividend	
Cannim Australia	20,000	6,000	6,000	6,000	6,000	6,000	50,000

3.2 Remuneration Claim Resolutions

We intend to seek creditors' approval of the following fee resolutions at the second meeting of creditors. Details supporting these resolutions are included in the attached Schedules A to F.

Resolution 1: Cannim Group - Retrospective Administrators' Remuneration

"That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 27 October 2025 to 23 November 2025, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, be fixed and approved at \$217,150 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred at their discretion."

Resolution 2: Cannim Group - Prospective Administrators' Remuneration

"That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 24 November 2025 to 1 December 2025 be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$20,000 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred at their discretion."

Resolution 3: Cannim Group - Prospective Liquidators' Remuneration

"That the remuneration of the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 2 December 2025 to the finalisation of the liquidation, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$50,000 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when required."

Resolution 4: Cannim Australia - Retrospective Administrators' Remuneration

“That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 27 October 2025 to 23 November 2025, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, be fixed and approved at \$260,586.30 (plus GST), and that the Administrators be authorised to draw that amount as and when incurred at their discretion.”

Resolution 5: Cannim Australia - Prospective Administrators' Remuneration

“That the remuneration of the Joint and Several Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 24 November 2025 to 1 December 2025 be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$20,000 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred at their discretion.”

Resolution 6: Cannim Australia - Prospective Liquidators' Remuneration

“That the remuneration of the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, their partners and staff for the period 2 December 2025 to the finalisation of the liquidation, be calculated on a time basis in accordance with the hourly rates of charge annexed to the Remuneration Approval Report dated 24 November 2025, and approved to an interim cap of \$50,000 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when required.”

The periods at which we propose to draw funds from the Company bank account in respect of our remuneration is included in the proposed resolutions. For past periods, this is immediately or otherwise as required. For future periods, this is on a monthly basis or otherwise as required. Actual payment will also depend on the level of cash held in the Company bank account at the applicable times.

Likely Impact on Dividends

Reasons for the resolutions relating to remuneration and internal disbursements, and the likely impact it will have on creditors if it is passed, are:

- An Administrator / Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an Administrator / Liquidator.
- We are unable to pay remuneration and internal disbursements without the approval of the Committee of Inspection, Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of our remuneration and disbursements will allow us to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- The drawing of remuneration and disbursements inherently reduces the funds available for distribution to creditors, however such costs are necessary and inevitable to realise the assets of the Company, pursue recovery of available causes of action and discharge the obligations associated with the administration.
- In the event that insufficient recoveries are realised to discharge the approved remuneration and disbursements, which are a priority expense under section 556 of the Act, there will be no dividend to creditors.

Part 4: Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.

- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the external administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs are discussed below.

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

We are required to obtain creditor's consent for the payment of internal disbursements that are not charged "At cost". Creditors will be asked to approve any internal disbursements not "At cost" prior to these disbursements being paid from the administration. Details of the basis of recovering disbursements in this administration are provided below.

Disbursement	Rate
External disbursements:	
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements:	
Postage	At cost
Photocopying	At cost
Printing and stationery	At cost
Books and Records Storage	At cost
Books and Records Transport	At cost
Staff Vehicle Use	ATO Standard Rate per Km

ASIC Funding Levy

We are now required to pay an industry funding levy to the Australian Securities and Investments Commission ("**ASIC**") to perform statutory duties as an external administrator. The levy allows ASIC to recoup its regulatory costs from industries through a combination of levies and fees-for-service.

We propose creditors approve internal disbursements for the estimated cost of this levy.

Some administrations may attract a higher levy due to the complexity and length of time of the appointment. We will report to you if we require further approval for internal disbursements.

If creditors would like more information on the ASIC levy and how it is calculated, please contact our office.

Resolution 7 – Cannim Group - Administrators' Internal Disbursements

"That the Joint and Several Voluntary Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued."

Resolution 8 – Cannim group - Liquidators' Internal Disbursements

"That the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued."

Resolution 9 – Cannim Australia - Administrators' Internal Disbursements

"That the Joint and Several Voluntary Administrators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued."

Resolution 10 – Cannim Australia - Liquidators' Internal Disbursements

"That the Joint and Several Liquidators, Rajiv Goyal, Neil Robert Cussen and Michael James Billingsley, be allowed internal disbursements at the rates of charge in the Remuneration Approval Report dated 24 November 2025, up to an amount of \$500 (plus GST) and that those amounts be paid as accrued."

Part 5: Queries

This information is provided to assist creditors with the appropriateness of the remuneration claims that are being made. Creditors should contact our office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, www.arita.com.au or by contacting this office.

Part 6: Description of work completed / to be completed

Details of the work performed and anticipated to be performed is included in the table below for each remuneration resolution proposed.

For future work, the descriptions and costs allocated to each task area are estimates only and are not any form of limit or cap. Actual tasks and costs incurred may vary because of the inherent nature of undertaking insolvency administrations. We will report to creditors further if it becomes necessary to seek any additional or revised fee approval. Details of any further work and/or increases in costs will be provided at that time.

Schedule A – Cannim Group - Retrospective Administrators' time costs incurred for the period 27 October 2025 to 23 November 2025.

Task Area	General Description	Includes
Assets Hours 60.0 Total: \$48,090.60 (excl. GST)	Cash at bank	<ul style="list-style-type: none"> Preparing and sending correspondence to banks and financial institutions to obtain bank statements Liaising with financial institutions in respect to pre-appointment accounts Arranging transfer of funds from company pre-appointment bank accounts to administration account
	Sale of business / assets	<ul style="list-style-type: none"> Liaising with Company directors to gather information, determine sale strategy and outline sale process Preparing advertisement and other documents for sale of Companies' business/ recapitalisation Liaising with media for advert publication for sale of business/ recapitalisation Prepared a confidential data room and attended to due diligence enquiries Liaising with buyer(s) regarding the sale or recapitalisation opportunity Attending to interested parties enquiries in relation to the company assets and the sale process Attending to meetings to progress due diligence processes Reviewing Expressions of Interests and Non-Binding Indicative Offers Providing regular updates and holding meetings with secured creditor regarding interests and offers received
	Plant & Equipment and Motor Vehicles	<ul style="list-style-type: none"> Conducting RMS search to ascertain motor vehicles held in the name of the Company Valuation of the Company's assets Reviewing asset listings and other asset related information Conducting searches of vehicle listing Determining realisation processes and requirements (as applicable)
	Stock	<ul style="list-style-type: none"> Reviewing stock information and stock values, including stock held overseas (UK and other jurisdictions) Investigating stock levels as part of the asset and sale assessment process Reviewing stocktake-related information Discussing stock issues with overseas team to understand stock availability, location, and valuation. Assessing stock held by overseas entities in connection with sale of business and recapitalisation enquiries. Liaising with internal and external parties regarding stock records and stock confirmation.

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Conducting stock/debtor investigations Reviewing stock levels for due diligence enquiries submitted by interested parties.
	Insurance	<ul style="list-style-type: none"> Initial notifications and liaison with insolvency brokers Determining insurance needs Identifying areas requiring attention and / or specialist advice Reviewing policy documents Reviewing pre-appointment insurance funding agreements Ongoing monitoring and review of insurance needs Providing information to / discussions with our brokers Meetings with Gallagher insurance to discuss all policies in place, details of all policies and discussing options for future insurance cover
Creditors Hours 84.20 Total: \$57,702.00 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries Preparing and sending correspondence to creditors and their representatives Filing proofs of debt and creditor details Considering creditor claims in administration and reviewing supporting documentation Corresponding with the ATO regarding appointment and requesting information General correspondence with creditors about status of the Company via letters, emails and calls
	Dealing with details of debts and claims	<ul style="list-style-type: none"> Correspondence to / from creditors regarding details of debts and claims in the administration Receiving and recording Proofs of Debt lodged Review and consideration of debts and claims for reporting and meeting purposes
	Secured creditors	<ul style="list-style-type: none"> Conducting searches on the PPSR register Initial notifications including to PPSR registrants about their security interest and property Preparing and issuing letter to secured creditors as per s 450A of the Corporations Act 2001 General PPSA creditor correspondence and property matters Responding to secured creditor queries Reviewing loan and security agreements Providing extensive and periodic reporting to secured creditor including the status of the administration and sale of business
	Reports to Creditors	<ul style="list-style-type: none"> Preparing and issuing our initial notice to creditors including the DIRRI Preparing the Administrators' report to creditors pursuant to section 72-225 of the IPR Preparing all annexures for the Administrators' report to creditors pursuant to section 72-225 of the IPR
	First meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, run sheet, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes / agenda preparation Considering claims for voting purposes Preparing for and attending / holding the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following the meeting

Task Area	General Description	Includes
	Second meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting documents and notices All applicable meeting preparation including venue, run sheet, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes / agenda preparation
Employees Hours 12.90 Total: \$8,546.40 (excl. GST)	Enquiries and correspondence	<ul style="list-style-type: none"> General correspondence with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls Preparing circulars to employees. Responding to employee queries. Preparing and issuing notices of termination to several employees. Payment of wages for continuing employees
	Entitlements	<ul style="list-style-type: none"> Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Reviewing/determining status of superannuation claims
Investigation Hours 39.00 Total: \$29,350.50 (excl. GST)	Investigations	<ul style="list-style-type: none"> Collection of books and records of the Company, the Director, and other parties Sourcing and reviewing statutory searches Reviewing Company bank statements, conducting analysis of bank statement movements and considering any voidable transactions Reviewing security agreements, including general security deeds, facility agreements, share subscriptions, convertible note deeds, supplier contracts, financial agreements, and investment agreements Meeting / telephone conferences with directors and management regarding Company operations and financial position Reviewing and analysing financial statements and management accounts Preparing comparative financial statements and management accounts Investigations into the Directors' personal financial position Reviewing and preparing company history Investigating reasons for company's failure Detailed investigations in relation to uncommercial transactions, insolvent transactions and director related transactions Detailed investigations into breaches of director duties Summarising and documenting work performed and matters requiring additional review and investigation Investigated the disposal of the Companies' real property in 2023 and 2024 Conducting detailed investigations into related-party investments and overseas and intercompany entities Preparing investigation and report sections on each Director's personal asset and liability position, supported by ASIC, PPSR and property searches Conducting a preliminary assessment of Director's capacity to meet any claims Conducting Australian and Jamaican land title searches

Task Area	General Description	Includes
Trade-on Hours 61.50 Total: \$45,507.70 (excl. GST)	Trade On Management	<ul style="list-style-type: none"> Authorising purchase orders Decisions and strategy in relation to trade-on period Preparing and agreeing a deed of indemnity and guarantee between the Director and Administrators Receiving funds and processing payments incurred during the administration period Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Employee trade on matters including wages and payroll Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes Assessing financial performance and available assets to limit trading risk exposures Considering the commercial viability of continuing to trade and cash / funding requirements Addressing and informing existing employees and critical suppliers of the status of trading Processing weekly wage and critical supplier payments Maintaining critical systems and operations Invoicing and collecting trading period sales Writing to customers and clients regarding the status of trading
	Budgets and reporting	<ul style="list-style-type: none"> Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
	General accounting	<ul style="list-style-type: none"> All applicable accounting tasks and processes supporting continued operations
Administration Hours 48.00 Total: \$27,952.90 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening accounts Requesting bank statements Processing receipts and payments
	ASIC Forms, ATO and other statutory reporting	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms Notification of appointment Any other statutory lodgements as they fell due
	Planning / review	<ul style="list-style-type: none"> Task list review and delegation of work on administration across team Conducting initial handover meetings with the Directors to obtain background on the business, financial position, and trading issues Meeting with finance personnel to obtain access to accounting systems, bank accounts, and financial records Team periodic discussions regarding status of administration

Task Area	General Description	Includes
Total Hours: 305.60 \$217,150.10 (excl GST)		

Schedule A (continued) – Cannim Group - Retrospective Administrators' time costs incurred for the period 27 October 2025 to 23 November 2025

The table below sets out the costs incurred for the major tasks performed by the administrators and their staff. More detailed descriptions of the tasks within each task area, matching the amounts below, are contained at Schedule A.

Cannim Group Pty Ltd (Administrators Appointed) For All Remuneration for the period 27 October 2025 to 23 November 2025

Employee	Position	\$ /hour (excl. GST)	Total actual hours	Administration		Assets		Creditors		Trade-On		Employees		Investigation	
				Total	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Michael James Billingsley	Appointee	850	51.70	43,945.00	2.20	1,870.00	16.60	14,110.00	3.80	3,230.00	15.70	13,345.00	-	13.40	11,390.00
Neil Robert Cussen	Appointee	850	1.50	1,275.00	-	-	0.50	425.00	-	-	1.00	850.00	-	-	-
Rajiv Goyal	Appointee	850	34.20	29,070.00	-	-	13.10	11,135.00	8.70	7,395.00	6.70	5,695.00	-	5.70	4,845.00
Kamuran Musker	Director	780	65.12	50,793.60	1.63	1,271.40	19.37	15,108.60	21.50	16,770.00	14.39	11,224.20	4.93	3,845.40	3.30
Rui Wang	Associate Director	710	19.10	13,561.00	5.60	3,976.00	9.60	6,816.00	3.20	2,272.00	0.50	355.00	-	0.20	142.00
Harry Bruton	Manager	650	64.00	41,600.00	6.20	4,030.00	0.50	325.00	27.90	18,135.00	12.00	7,800.00	3.60	2,340.00	13.80
Rosetta Daidone	Manager	650	5.85	3,802.50	5.85	3,802.50	-	-	-	-	-	-	-	-	-
Dean Loftus	Senior Analyst	570	39.70	22,629.00	14.80	8,436.00	0.30	171.00	11.30	6,441.00	8.20	4,674.00	3.00	1,710.00	2.10
Yan Lin	Senior Analyst	570	1.70	969.00	-	-	-	-	-	-	1.70	969.00	-	-	-
Pauline Lacuesta	Analyst	465	3.50	1,627.50	2.50	1,162.50	-	-	-	-	1.00	465.00	-	-	-
Ruth Velasco	Analyst	465	8.10	3,766.50	4.00	1,860.00	-	-	2.20	1,023.00	-	-	1.40	651.00	0.50
Declan Cannon	Graduate	435	7.00	3,045.00	1.10	478.50	-	-	5.60	2,436.00	0.30	130.50	-	-	-
Jacqueline Cowell	Junior Adminsitrator	260	4.10	1,066.00	4.10	1,066.00	-	-	-	-	-	-	-	-	-
Total			305.6	217,150.10	48.0	27,952.90	60.0	48,090.60	84.2	57,702.00	61.5	45,507.70	12.9	8,546.40	39.0

Schedule B – Cannim Group - Administrators' estimated time costs for the period 24 November to 1 December 2025

Task Area	General Description	Includes
Assets Total: \$2,000 (excl. GST)	Sale of Business/Other Assets	<ul style="list-style-type: none"> Internal meetings to discuss/review offers received for other assets of the Company Attending to interested parties and holding meetings to progress due diligence processes and obtain viable offers for the business / assets of the Companies Evaluation and decision of binding offers
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtor ledgers Daily reconciliation of company bank accounts for any pre-appointment debtors' monies received
	Stock	<ul style="list-style-type: none"> Reviewing stock value Assessing and determining stock preservation and realisation strategies
Creditors Total: \$10,000 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> Maintaining creditor enquiry register Receiving and following up creditor enquiries via telephone Filing proofs of debt and creditor details Considering creditor claims in administration and reviewing supporting documentation Corresponding with the ATO regarding appointment and requesting information General correspondence with creditors about status of the Company including letters, emails and calls
	Secured Creditor Reporting	<ul style="list-style-type: none"> Preparing reports to secured creditors
	Creditor Reports	<ul style="list-style-type: none"> Preparing the Administrators' report to creditors pursuant to section 72-225 of the IPR Preparing all annexures for the Administrators' report to creditors pursuant to section 72-225 of the IPR
	Dealing with Proofs of Debt	<ul style="list-style-type: none"> Receipting and filing Proofs of Debt when not related to a dividend
	Second meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, run sheet, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes / agenda preparation Considering claims for voting purposes Preparing for and attending / holding the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following the meeting
Employees Total: \$2,000 (excl. GST)	Employee Enquiry	<ul style="list-style-type: none"> Responding to employee enquiries
Trade On Total: \$2,000	Trade On Management	<ul style="list-style-type: none"> Authorising purchase orders Decisions and strategy in relation to continued trading Receipting funds and payments incurred during the administration period

Task Area	General Description	Includes
(excl. GST)		<ul style="list-style-type: none"> Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Employee trade on matters including wages and payroll Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes Assessing financial performance and available assets to limit trading risk exposures Considering the commercial viability of continuing to trade and cash / funding requirements Addressing and informing existing employees and critical suppliers of the status of trading Processing weekly wage and critical supplier payments Maintaining critical systems and operations Invoicing and collecting trading period sales Writing to customers and clients regarding the status of trading
	Budgeting and reporting	<ul style="list-style-type: none"> Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Investigation Total: \$2,000 (excl. GST)	Investigations	<ul style="list-style-type: none"> Continuing investigations for potential claims available in liquidation Obtaining information for further investigations Continuing investigations into specific transactions
Administration Total: \$2,000 (excl. GST)	Correspondence	<ul style="list-style-type: none"> Administration – Other Opening the Mail Signing letters / documents Writing letters
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists
	Insurance	<ul style="list-style-type: none"> Correspondence with insurer regarding initial and ongoing insurance requirements Identification of potential issues requiring attention of insurance specialist
	Bank account administration	<ul style="list-style-type: none"> Other bank account related tasks Preparing correspondence opening and closing accounts
	ASIC and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 5602, 5603 etc
	ATO and other statutory reporting	<ul style="list-style-type: none"> Other ATO related tasks
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> Sending job files to storage
	Other	<ul style="list-style-type: none"> Admin
Total: \$20,000 (excl. GST)		

Schedule C – Cannim Group - Liquidators' estimated time costs from commencement on 2 December 2025 to the end of the liquidation

Task Area	General Description	Includes
Assets Total: \$8,000 (excl. GST)	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtor ledgers Daily reconciliation of company bank accounts for any pre-appointment debtors' monies received
	Stock	<ul style="list-style-type: none"> Reviewing stock value Assessing and determining stock preservation and realisation strategies
	Sale of Business/Other Assets	<ul style="list-style-type: none"> Liaising with interested parties for finalising sales Other tasks in relation to assets
Creditors Total: \$8,000 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> Receiving and following up creditor enquiries by telephone and email Maintaining creditor enquiry register Reviewing and preparing correspondence to creditors and their representatives by email and post Compiling information requested by creditors
	Creditor reports	<ul style="list-style-type: none"> Draft and lodge the minutes of the second meeting of creditors with ASIC Preparing and issuing a report to creditors in accordance with section 70-40 of the IPR Preparing further reports to creditors (if applicable)
	Dealing with Proofs of Debt	<ul style="list-style-type: none"> Receiving and filing Proofs of Debt Liaising with creditors regarding Proofs of Debt Requesting supporting documentation from creditors Inputting Proofs of Debt into information system
	Proposals to creditors (if applicable)	<ul style="list-style-type: none"> Preparation of proposal documents and notices and forwarding these to all known creditors Preparing proposal notices and voting forms Reviewing votes and determine outcome of proposals Preparing and lodging proposal outcomes with ASIC
Employees Total: \$8,000 (excl. GST)	Enquiries and correspondence	<ul style="list-style-type: none"> General correspondence with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	FEG (if applicable)	<ul style="list-style-type: none"> Liaising with FEG Calculating employee entitlements for FEG Answering any questions required Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
	Entitlements	<ul style="list-style-type: none"> Further reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Reviewing/determining status of superannuation claims
	Dividends (if applicable)	<ul style="list-style-type: none"> Dividend process for employee claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Employee dividend file and documentation Assessing SGC and ATO claims Assessing FEG subrogated claims and FEG liaison Payments to employees, FEG, ATO and dealing with tax withholding matters

Task Area	General Description	Includes
Investigation Total: \$10,000 (excl. GST)	Report to ASIC	<ul style="list-style-type: none"> ○ Prepare a file note summarising the results of the investigations ○ Prepare the statutory investigation reports ○ Liaising with ASIC with regards to any queries raised ○ Preparing the Liquidators' report pursuant to Section 533 of the Act
	Conducting investigation	<ul style="list-style-type: none"> ○ Collecting further information, books and records and conducting further investigations as required ○ Continuing to review Company's electronic books and records, emails ○ Preparation of Liquidators' deficiency statement ○ Obtaining legal advice regarding various transactions ○ Investigations on preference and other insolvent transactions ○ Conducting further investigations into the Directors financial capacity to meet any insolvent claim ○ Continuation of investigations into the affairs of the Company including the date of the Company's insolvency ○ Continuing to summarise and document all investigative work performed and matters requiring additional review and investigation ○ Completing the review of financial statements and associated information ○ Compiling and reviewing all supporting documentation to substantiate any insolvent trading claim to be pursued (if applicable) ○ Considering the directors' capacity to satisfy any claims ○ All legal matters involved in pursuing any insolvent trading claim (If applicable)
	Litigation / recoveries (if applicable)	<ul style="list-style-type: none"> ○ Decisions and strategy on litigation and recovery matters ○ Liaison, meetings, discussions and reports / briefs for legal advisors ○ Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence ○ Attending to all aspects of negotiations and / or settlement of legal actions or claims ○ Updating the quantum of the claims, as necessary ○ Liaison, meetings, discussions and reports / briefs for legal advisors ○ Meetings and conferences with lawyers, counsel (both junior and senior, as necessary), litigation funder, and other parties in order to progress claims (where necessary) ○ Liaising with lawyers with respect to serving evidence with respect to the claims ○ Reviewing of defence and evidence filed by other parties ○ Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence ○ Attending to all aspects of negotiations and / or settlement of legal actions or claims
	Examinations (if applicable)	<ul style="list-style-type: none"> ○ Decisions and strategy on the merits and need for examinations ○ Liaison, meetings, discussions and reports / briefs for legal advisors ○ Attendance at examination/s ○ Reviewing examination transcripts

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Post-examination outcomes, actions available and consideration of next steps
Dividends Total: \$8,000 (excl. GST)	Proofs of debts and claims	<ul style="list-style-type: none"> Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes Receiving and recording proofs of debt Review and adjudication of debts and claims and requesting further particulars from creditors Updating registers Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes
	Dividend procedure	<ul style="list-style-type: none"> Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Obtaining ATO clearance Issuing all notices, advertisements, acceptance/rejection of claims to creditors Performing final dividend calculations Calculating ATO dividend adjustments Dividend payments and notices to creditors
Administration Total: \$8,000 (excl. GST)	Correspondence	<ul style="list-style-type: none"> All other correspondence not discussed above
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists Send job files to storage
	Bank account administration	<ul style="list-style-type: none"> Requesting transfer of funds, when required Bank account reconciliations, when required Preparing internal forms for receipts and payments processing, when required
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of cessation of appointment Cancelling ABN / GST / PAYG registration Completing final statutory lodgements Completing checklists
	ASIC and other forms	<ul style="list-style-type: none"> Lodging report to ASIC under s533 Preparing and lodging ASIC forms
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status of administration Internal progress meetings to discuss workflow and status of matter
Total: \$50,000 (excl. GST)		

Schedule D – Cannim Australia - Retrospective Administrators' time costs incurred for the period 27 October 2025 to 23 November 2025.

Task Area	General Description	Includes
Assets Hours 124.7 Total: \$96,621.80 (excl. GST)	Cash at bank	<ul style="list-style-type: none"> Preparing and sending correspondence to banks and financial institutions to obtain bank statements Liaising with financial institutions in respect to pre-appointment accounts Arranging transfer of funds from company bank accounts to administration account
	Sale of business / assets	<ul style="list-style-type: none"> Liaising with Company directors to gather information, determine sale strategy and outline sale process Preparing advertisement and other documents for sale of Companies' business/ recapitalisation Liaising with media for advert publication for sale of business/ recapitalisation Preparing a confidential data room and attended to due diligence enquiries Liaising with potential buyer(s) regarding the sale or recapitalisation opportunity Attending to interested parties enquiries in relation to the company assets and the sale process Attending to meetings to progress due diligence processes Reviewing Expressions of Interests and Non-Binding Indicative Offers Providing regular updates and holding meetings with secured creditor regarding sale process and interests and offers received.
	Debtors	<ul style="list-style-type: none"> Meetings with and requests to finance team for information regarding the invoicing, invoices issued to date and supporting calculations for invoices issued Extracting necessary company records associated with debtors Conducting detailed review of the Company's WIP schedules. Reviewing company's books and records to determine debtors claims that may be recoverable Daily reconciliation of company bank accounts for any pre-appointment debtors' monies received
	Plant & Equipment and Motor Vehicles	<ul style="list-style-type: none"> Conducting RMS search to ascertain motor vehicles held in the name of the Company Valuation of the Company's assets Reviewing asset listings and other asset related information Conducting searches of vehicle listing Determining realisation processes and requirements (as applicable)
	Stock	<ul style="list-style-type: none"> Obtaining stock values and understanding the location, status and logistics of stock (including warehousing, transit, consignment and international movements).Contacting all stock holding facilities

Task Area	General Description	Includes
		<ul style="list-style-type: none"> o Liaising with management, warehouses, distributors and freight forwarders regarding stock movements, access to stock, storage arrangements and storage costs to preserve inventory o Requesting and reviewing stock reports, stock takes and sales reports, and analysing updated stock reports and stock movements o Organising and coordinating stock takes (including multi-site stock takes), arranging warehouse access, quotes and funding requirements, and liaising with Pickles and other service providers o Considering and progressing stock realisation strategies, including bulk sale options and responding to stock purchase enquiries o Making enquiries and conducting analysis where stock issues intersect with debtor recoveries, trade credit insurance and licence requirements, to preserve and maximise stock value
	Insurance	<ul style="list-style-type: none"> o Initial notifications and liaison with insolvency brokers o Determining insurance needs o Identifying areas requiring attention and / or specialist advice o Reviewing policy documents o Reviewing pre-appointment insurance funding agreements o Ongoing monitoring and review of insurance needs o Providing information to / discussions with our brokers o Meetings with Gallagher insurance to discuss all policies in place, details of all policies and discussing options for future insurance cover
Creditors Hours 68.40 Total: \$47,226.90 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> o Receiving and responding to creditor enquiries o Preparing and sending correspondence to creditors and their representatives o Filing proofs of debt and creditor details o Considering creditor claims in administration and reviewing supporting documentation o Corresponding with the ATO regarding appointment and requesting information o General correspondence with creditors about status of the Company including letters, emails and calls
	Dealing with details of debts and claims	<ul style="list-style-type: none"> o Correspondence to / from creditors regarding details of debts and claims in the administration o Receiving and recording Proofs of Debt lodged o Review and consideration of debts and claims for reporting and meeting purposes
	Secured creditors	<ul style="list-style-type: none"> o Conducting searches on the PPSR register o Initial notifications including to PPSR registrants about their security interest and property o Preparing and issuing letter to secured creditors as per s 450A of the Corporations Act 2001 o General PPSA creditor correspondence and property matters o Responding to secured creditor queries o Reviewing loan and security agreements o Providing periodic and extensive reporting to secured creditor in relation to status of administration and business sale

Task Area	General Description	Includes
	Reports to Creditors	<ul style="list-style-type: none"> Preparing and issuing our initial notice to creditors including the DIRRI Preparing the Administrators' report to creditors pursuant to section 72-225 of the IPR Preparing all annexures for the Administrators' report to creditors pursuant to section 72-225 of the IPR
	First meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, run sheet, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes / agenda preparation Considering claims for voting purposes Preparing for and attending / holding the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following the meeting
Employees Hours 1.40 Total: \$867.00 (excl. GST)	Enquiries and correspondence	<ul style="list-style-type: none"> General correspondence with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls Preparing circulars to employees. Responding to employee queries. Preparing and issuing notices of termination to several employees. Payment of wages for continuing employees
	Entitlements	<ul style="list-style-type: none"> Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Reviewing/determining status of superannuation claims

Task Area	General Description	Includes
Investigation Hours 23.70 Total: \$18,217.70 (excl. GST)	Investigations	<ul style="list-style-type: none"> Collection of books and records of the Company, the Director, and other parties Sourcing and reviewing statutory searches Reviewing Company bank statements, conducting analysis of bank statement movements and considering any voidable transactions Reviewing security agreements, including general security deeds, facility agreements, share subscriptions, convertible note deeds, supplier contracts, financial agreements, and investment agreements Meeting / telephone conferences with directors and management regarding Company operations and financial position Reviewing and analysing financial statements and management accounts Preparing comparative financial statements and management accounts Investigations into the Directors' personal financial position Reviewing and preparing company history Investigating reasons for company's failure Detailed investigations in relation to uncommercial transactions, insolvent transactions and director related transactions Detailed investigations into breaches of director duties Summarising and documenting work performed and matters requiring additional review and investigation Investigated the disposal of the Companies' real property in 2023 and 2024 Conducting detailed investigations into related-party investments and overseas and intercompany entities Preparing investigation and report sections on each Director's personal asset and liability position, supported by ASIC, PPSR and property searches Conducting a preliminary assessment of Director's capacity to meet any claims Conducting Australian and Jamaican land title searches

Task Area	General Description	Includes
Trade-on Hours 97.60 Total: \$74,947.00 (excl. GST)	Trade On Management	<ul style="list-style-type: none"> Authorising purchase orders Decisions and strategy Preparing and agreeing a deed of indemnity and guarantee between the Director and Administrators Receiving funds and processing payments incurred during the administration period Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Employee trade on matters including wages and payroll Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes Assessing financial performance and available assets to limit trading risk exposures Considering the commercial viability of continuing to trade and cash / funding requirements Addressing and informing existing employees and critical suppliers of the status of trading Processing weekly wage and critical supplier payments Maintaining critical systems and operations Invoicing and collecting trading period sales Writing to customers and clients regarding the status of trading
	Budgets and reporting	<ul style="list-style-type: none"> Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
	General accounting	<ul style="list-style-type: none"> All applicable accounting tasks and processes supporting continued operations
Administration Hours 38.60 Total: \$22,705.90 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening accounts Requesting bank statements Processing receipts and payments
	ASIC Forms, ATO and other statutory reporting	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms Notification of appointment Any other statutory lodgements as they fell due
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status of administration Task list review and delegation of work on administration across team Conducting initial handover meetings with the Director(s) to obtain background on the business, financial position, and trading issues Meeting with finance personnel to obtain access to accounting systems, bank accounts, and financial records

Task Area	General Description	Includes
Total Hours: 354.40 \$260,586.30 (excl GST)		

Schedule D (continued) – Cannim Australia - Retrospective Administrators' time costs incurred for the period 27 October 2025 to 23 November 2025

The table below sets out the costs incurred for the major tasks performed by the administrators and their staff. More detailed descriptions of the tasks within each task area, matching the amounts below, are contained at Schedule A.

Cannim Australia Pty Ltd (Administrators Appointed)
For All Remuneration for the period 27 October 2025 to 23 November 2025

Employee	Position	\$ /hour (excl. GST)	Total actual hrs	Total	Administration		Assets		Creditors		Trade-On		Employees		Investigation	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Michael James Billingsley	Appointee	850	45.30	38,505.00	2.20	1,870.00	13.20	11,220.00	3.90	3,315.00	15.20	12,920.00	-	-	10.80	9,180.00
Neil Robert Cussen	Appointee	850	4.00	3,400.00	2.00	1,700.00	1.00	850.00	0.50	425.00	0.50	425.00	-	-	-	-
Rajiv Goyal	Appointee	850	77.80	66,130.00	-	-	37.70	32,045.00	11.80	10,030.00	26.50	22,525.00	-	-	1.80	1,530.00
Kamuran Musker	Director	780	78.81	61,471.80	1.63	1,271.40	30.21	23,563.80	13.48	10,514.40	29.50	23,010.00	0.10	78.00	3.89	3,034.20
Rui Wang	Associate Director	710	37.50	26,625.00	3.30	2,343.00	32.20	22,862.00	1.50	1,065.00	-	-	-	-	0.50	355.00
Harry Bruton	Manager	650	50.20	32,630.00	5.20	3,380.00	4.80	3,120.00	18.90	12,285.00	16.30	10,595.00	0.60	390.00	4.40	2,860.00
Rosetta Daidone	Manager	650	3.10	2,015.00	3.10	2,015.00	-	-	-	-	-	-	-	-	-	-
Dean Loftus	Senior Analyst	570	37.90	21,603.00	10.80	6,156.00	3.60	2,052.00	11.80	6,726.00	9.20	5,244.00	0.70	399.00	1.80	1,026.00
Yan Lin	Senior Analyst	570	0.40	228.00	-	-	-	-	-	-	0.40	228.00	-	-	-	-
Pauline Lacuesta	Analyst	465	1.00	465.00	1.00	465.00	-	-	-	-	-	-	-	-	-	-
Ruth Velasco	Analyst	465	6.40	2,976.00	3.30	1,534.50	1.30	604.50	1.30	604.50	-	-	-	-	0.50	232.50
Declan Cannon	Graduate	435	8.10	3,523.50	2.20	957.00	0.70	304.50	5.20	2,262.00	-	-	-	-	-	-
Jacqueline Cowell	Junior Adminsitrator	260	3.90	1,014.00	3.90	1,014.00	-	-	-	-	-	-	-	-	-	-
Total			354.4	260,586.30	38.6	22,705.90	124.7	96,621.80	68.4	47,226.90	97.6	74,947.00	1.4	867.00	23.7	18,217.70

Schedule E – Cannim Australia - Administrators' estimated time costs for the period 24 November to 1 December 2025

Task Area	General Description	Includes
Assets Total: \$2,000 (excl. GST)	Sale of Business/Other Assets	<ul style="list-style-type: none"> Internal meetings to discuss/review offers received for assets of the Company Attending to interested parties and holding meetings to progress due diligence processes and obtain viable offers for the business / assets of the Companies Evaluation and decision of binding offers
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtor ledgers Daily reconciliation of company bank accounts for any pre-appointment debtors' monies received
	Stock	<ul style="list-style-type: none"> Reviewing stock value Considering stock realisation strategies
Creditors Total: \$10,000 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> Maintaining creditor enquiry register Receiving and following up creditor enquiries via telephone Filing proofs of debt and creditor details Considering creditor claims in administration and reviewing supporting documentation Corresponding with the ATO regarding appointment and requesting information General correspondence with creditors about status of the Company including letters, emails and calls
	Secured Creditor Reporting	<ul style="list-style-type: none"> Preparing reports to secured creditors
	Creditor Reports	<ul style="list-style-type: none"> Preparing the Administrators' report to creditors pursuant to section 72-225 of the IPR Preparing all annexures for the Administrators' report to creditors pursuant to section 72-225 of the IPR
	Dealing with Proofs of Debt	<ul style="list-style-type: none"> Receipting and filing Proofs of Debt when not related to a dividend
	Second meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, run sheet, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes / agenda preparation Considering claims for voting purposes Preparing for and attending / holding the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following the meeting
Trade On Total: \$2,000 (excl. GST)	Trade On Management	<ul style="list-style-type: none"> Authorising purchase orders Decisions and strategy Preparing and agreeing a deed of indemnity and guarantee between the Director and Administrators Receipting funds and payments incurred during the administration period Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Employee trade on matters including wages and payroll Financial reporting including financial position and performance

Task Area	General Description	Includes
		<ul style="list-style-type: none"> o Meetings and reviews around financial results and estimated outcomes o Assessing financial performance and available assets to limit trading risk exposures o Considering the commercial viability of continuing to trade and cash / funding requirements o Addressing and informing existing employees and critical suppliers of the status of trading o Processing weekly wage and critical supplier payments o Maintaining critical systems and operations o Invoicing and collecting trading period sales o Writing to customers and clients regarding the status of trading
	Budgeting and reporting	<ul style="list-style-type: none"> o Trading/operating budgets and forecasts o Cash flow preparation and monitoring o Financial reporting including financial position and performance o Meetings and reviews around financial results and estimated outcomes
Employees Total: \$2,000 (excl. GST)	Employee Enquiry	<ul style="list-style-type: none"> o Receiving and considering any further information or books and records regarding the affairs of the Company, directors' conduct and existence of voidable transaction and potential recoveries
Investigation Total: \$2,000 (excl. GST)	Investigations	<ul style="list-style-type: none"> o Continuing investigations for potential claims available in liquidation o Obtaining information for further investigations o Continuing investigations into specific transactions
Administration Total: \$2,000 (excl. GST)	Correspondence	<ul style="list-style-type: none"> o Administration – Other o Opening the Mail o Signing letters / documents o Writing letters
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> o Filing of documents o File reviews o Updating checklists
	Insurance	<ul style="list-style-type: none"> o Correspondence with insurer regarding initial and ongoing insurance requirements o Identification of potential issues requiring attention of insurance specialist
	Bank account administration	<ul style="list-style-type: none"> o Other bank account related tasks o Preparing correspondence opening and closing accounts
	ASIC and other forms	<ul style="list-style-type: none"> o Preparing and lodging ASIC forms including 505, 5602, 5603 etc
	ATO and other statutory reporting	<ul style="list-style-type: none"> o Other ATO related tasks
	Planning / review	<ul style="list-style-type: none"> o Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> o Sending job files to storage
	Other	<ul style="list-style-type: none"> o Admin
Total: \$20,000 (excl. GST)		

Schedule F – Cannim Australia - Liquidators' estimated time costs from commencement on 2 December 2025 to the end of the liquidation

Task Area	General Description	Includes
Assets Total: \$20,000 (excl. GST)	Insurance	<ul style="list-style-type: none"> Providing information to / discussions with our brokers Ongoing monitoring and review of insurance needs
	Stock	<ul style="list-style-type: none"> Liaise with solicitors to assess regulatory restriction on inventory realisations in liquidation Reviewing stock records across Australia Verifying stock availability, location, and status in accordance with therapeutic goods compliance, including batch numbers, potency documentation, and expiry-date controls Assessing chain-of-custody documentation and security protocols associated with controlled cannabis products, including storage, restricted-access facilities, and transport records Confirming stock encumbrances and identifying any stock held by or subject to regulatory quarantine, destruction orders, or restricted movement notices Coordinating with internal and external stakeholders to verify stock ownership and legal status Identifying buyers authorised to handle controlled cannabis products Managing due-diligence enquiries Considering market-specific pricing issues, including grade, potency, format Preparing internal advice on recoverability and net realisable value, considering compliance costs, testing requirements, and regulatory approvals needed for sale Preparing documentation and correspondence to facilitate a sale process compliant with controlled substances regulations
	Sale of Business/Other assets	<ul style="list-style-type: none"> Identifying and pursuing recovery of any residual assets not subject to the receivers sales process Internal meetings to discuss/review offers received for assets of the Company Attending to interested parties and holding meetings to progress due diligence processes and obtain viable offers for the business / assets of the Companies Evaluation and decision of binding offers
Creditors Total: \$6,000 (excl. GST)	Creditor enquiries	<ul style="list-style-type: none"> Receiving and following up creditor enquiries by telephone and email Maintaining creditor enquiry register Reviewing and preparing correspondence to creditors and their representatives by email and post Compiling information requested by creditors
	Creditor reports	<ul style="list-style-type: none"> Drafting and lodging the minutes of the second meeting of creditors with ASIC Preparing and issuing a report to creditors in accordance with section 70-40 of the IPR Preparing further reports to creditors (if applicable)
	Dealing with Proofs of Debt	<ul style="list-style-type: none"> Receipting and filing Proofs of Debt Liaising with creditors regarding Proofs of Debt Requesting supporting documentation from creditors Inputting Proofs of Debt into information system
	Proposals to creditors (if applicable)	<ul style="list-style-type: none"> Preparation of proposal documents and notices and forwarding these to all known creditors Preparing proposal notices and voting forms Reviewing votes and determine outcome of proposals Preparing and lodging proposal outcomes with ASIC

Task Area	General Description	Includes
Investigation Total: \$6,000 (excl. GST)	Report to ASIC	<ul style="list-style-type: none"> Preparing a file note summarising the results of the investigations Preparing the statutory investigation reports Liaising with ASIC with regards to any queries raised Preparing the Liquidators' report pursuant to Section 533 of the Act
	Conducting investigation	<ul style="list-style-type: none"> Collecting further information, books and records and conducting further investigations as required Continuing to review Company's electronic books and records, emails Preparation of Liquidators deficiency statement Obtaining legal advice regarding various transactions Investigations on preference and other insolvent transactions Conducting further investigations into the Directors financial capacity to meet any insolvent claim Continuation of investigations into the affairs of the Company including the date of the Company's insolvency Continuing to summarise and document all investigative work performed and matters requiring additional review and investigation Completing the review of financial statements and associated information Compiling and reviewing all supporting documentation to substantiate any insolvent trading claim to be pursued (if applicable) Considering the directors' capacity to satisfy any claims All legal matters involved in pursuing any insolvent trading claim (If applicable)
	Litigation / recoveries (if applicable)	<ul style="list-style-type: none"> Decisions and strategy on litigation and recovery matters Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims Updating the quantum of the claims, as necessary Liaison, meetings, discussions and reports / briefs for legal advisors Meetings and conferences with lawyers, counsel (both junior and senior, as necessary), litigation funder, and other parties in order to progress claims (where necessary) Liaising with lawyers with respect to serving evidence with respect to the claims Reviewing of defence and evidence filed by other parties Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	Examinations (if applicable)	<ul style="list-style-type: none"> Decisions and strategy on the merits and need for examinations Liaison, meetings, discussions and reports / briefs for legal advisors Attendance at examination/s Reviewing examination transcripts Post-examination outcomes, actions available and consideration of next steps

Task Area	General Description	Includes
Employees Total: \$6,000 (excl. GST)	Enquiries and correspondence	<ul style="list-style-type: none"> General correspondence with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	FEG (if applicable)	<ul style="list-style-type: none"> Liaising with FEG Calculating employee entitlements for FEG Answering any questions required Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
	Entitlements	<ul style="list-style-type: none"> Further reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Reviewing/determining status of superannuation claims
	Dividends (if applicable)	<ul style="list-style-type: none"> Dividend process for employee claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Employee dividend file and documentation Assessing SGC and ATO claims Assessing FEG subrogated claims and FEG liaison Payments to employees, FEG, ATO and dealing with tax withholding matters
Dividends Total: \$6,000 (excl. GST)	Proofs of debts and claims	<ul style="list-style-type: none"> Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes Receiving and recording proofs of debt Review and adjudication of debts and claims and requesting further particulars from creditors Updating registers Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes
	Dividend procedure	<ul style="list-style-type: none"> Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Obtaining ATO clearance Issuing all notices, advertisements, acceptance/rejection of claims to creditors Performing final dividend calculations Calculating ATO dividend adjustments Dividend payments and notices to creditors
Administration Total: \$6,000 (excl. GST)	Correspondence	<ul style="list-style-type: none"> All other correspondence not discussed above
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists Send job files to storage
	Bank account administration	<ul style="list-style-type: none"> Requesting transfer of funds, when required Bank account reconciliations, when required Preparing internal forms for receipts and payments processing, when required

Task Area	General Description	Includes
	Finalisation	<ul style="list-style-type: none"> o Notifying ATO of cessation of appointment o Cancelling ABN / GST / PAYG registration o Completing final statutory lodgements o Completing checklists
	ASIC and other forms	<ul style="list-style-type: none"> o Lodging report to ASIC under s533 o Preparing and lodging ASIC forms
	Planning / review	<ul style="list-style-type: none"> o Discussions regarding status of administration o Internal progress meetings to discuss workflow and status of matter
Total: \$50,000 (excl. GST)		

Part 7: Olvera Advisors schedule of hourly rates as at 1 July 2025

Title	Description	Hourly rate (ex GST)
Appointee / Principal	Official or Registered Liquidator/Trustee or Principal	\$850
Director	Typically, professional body qualified, more than 10 years' experience in insolvency matters at a senior level, including managing complex administrations and supervising teams. Capable of deputising for the Appointees where required and controlling all aspects of an insolvency appointment. Maybe qualified to accept appointments in his/her own right.	\$780
Senior Manager	Typically, Professional body qualified. 7 + years' experience, likely more than 3 years as manager, tertiary qualified. Answerable to the appointee but otherwise responsible for all aspects of administration. Capable of controlling all aspects of an insolvency appointment.	\$700
Manager	Typically, Professional body qualified. 6 - 7 years + experience. Controls all allocated tasks. Well-developed technical and commercial skills.	\$650
Supervisor	Typically, Professional body qualified. 4 to 6 years' experience. Will have had experience on minor matters and experience in control of staff. Assists planning and controls medium to larger matters. Reports to manager.	\$600
Senior Analyst	Typically, 2 to 4 years' experience. Professional body program commenced or completed. Required to control and/or assist in the field on matters. Reports to manager.	\$570
Analyst	Typically, 1 to 2 years' experience. Likely tertiary course underway or near complete. Required to control and/or assist in the field on matters. Reports to manager.	\$465
Graduate	Typically, less than 1 year experience. Tertiary degree completed or nearing completion. Required to control and/or assist in the field on matters. Reports to more senior staff.	\$435
Undergraduate	HSC qualified. Trainee likely undertaking a tertiary degree with an accountancy major or other industry major. Required to assist in the field on matters. Reports to more senior staff.	\$390
General Administrator	Appropriate administration skills.	\$365
Junior Administrator	Appropriate administration skills.	\$260

*Professional rates are subject to increase having regard to market conditions every 1 July.

Annexure 6

Information sheet: Approving remuneration of an external administrator

If you are a creditor in a liquidation, voluntary administration or deed of company arrangement you may be asked to approve the external administrator's remuneration. An external administrator can be a liquidator, voluntary administrator or deed administrator. The process for approving the remuneration for each of these is the same.

This information sheet gives general information to help you understand the process of approving an external administrator's remuneration and your rights in this process. The following topics are covered in this information sheet:

- About external administrations
- External administrator's remuneration and costs
- Calculating remuneration
- Information you will receive
- Approving remuneration
- Who may approve remuneration
- Deciding if remuneration is reasonable
- What can you do if you decide the remuneration is unreasonable?
- Reimbursement of out of pocket costs
- Queries and complaints
- More information.

About external administrations

If a company goes into liquidation, voluntary administration or enters into a deed of company arrangement, an independent person is appointed to oversee the administration. They are called an external administrator and include a liquidator, voluntary administrator and deed administrator, depending on the type of administration involved. In this information sheet they are simply referred to as an external administrator.

The duties of an external administrator are specified in legislation and they must adhere to certain standards while conducting the administration.

All external administrators are required by law to undertake certain tasks which may not benefit creditors directly (e.g. investigating whether any offences have been committed and reporting to the Australian Securities and Investments Commission (ASIC)).

External administrator's remuneration and costs

External administrators are entitled to be paid for the necessary work they properly perform in the administration.

An external administrator is entitled:

- to be paid reasonable remuneration, for the work they perform, once this remuneration has been approved,
- to be paid for internal disbursements they incur in performing their role (these costs do need approval), and
- to be reimbursed for out-of-pocket costs incurred in performing their role (these costs do not need approval).

Common internal disbursements are stationery, photocopying and telephone costs.

Commonly reimbursed out-of-pocket costs include:

- legal fees
- a valuer's, real administration agent's and auctioneer's fees
- postage costs
- retrieval costs for recovering the company's computer records, and
- storage costs for the company's books and records.

Creditors have a direct interest in the amount of an external administrator's remuneration and costs, as these will generally be paid from the administration before any payments are made to creditors.

Remuneration and internal disbursements must be approved in accordance with the Corporations Act and Insolvency Practice Rules (Corporations) before it can be paid.

If there is a shortfall between the external administrator's remuneration and the assets available from the administration, in certain circumstances the external administrator may arrange for a third party to pay the shortfall. As a creditor, you will be provided details of any such arrangement.

If there are not enough assets to pay the external administrator's remuneration and costs, and there is no third party payment arrangement, the external administrator remains unpaid.

Calculating remuneration

An external administrator may calculate their remuneration using one (or a combination) of a number of methods, such as:

- on the basis of time spent working on the administration, according to hourly rates
- a quoted fixed fee, based on an estimate of the costs
- a percentage (usually of asset realisations), or
- a contingent basis on a particular outcome being achieved.

Charging on the basis of time spent is the most common method used. External administrators have a set of hourly rates that they will seek to charge. These rates are set to reflect the seniority, skills and experience of staff and, where applicable, the complexity and risks of the bankruptcy. They cover staff costs and overheads.

If remuneration is being charged on a time basis, the external administrator must keep time sheets noting the number of hours spent on the tasks performed.

Creditors have a right to question the external administrator about the remuneration and the rates to be charged. They also have a right to question the external administrator about the fee calculation method used and how the calculation was made. The external administrator must justify why the chosen fee calculation method is appropriate for the administration.

Information you will receive

There are different types of remuneration reports that you may receive during the course of an external administration. The following table details the reports and when you might receive them.

Document	Information it contains	When you will receive it
Initial Remuneration Notice (IRN)	<ul style="list-style-type: none"> A brief explanation of the types of methods that may be used to calculate fees. The external administrator's chosen fee calculation method(s) and why it is appropriate. Details of the external administrator's rates, including hourly rates if time spent basis is used. An estimate of the external administrator's remuneration. The method that will be used to calculate disbursements. 	<p>Voluntary Administration – with the notice of first meeting.</p> <p>Creditors' voluntary liquidation – within 10 business days of appointment.</p> <p>Court liquidation – within 20 business days of appointment.</p>
Remuneration Approval Report (RAR)	<ul style="list-style-type: none"> A summary description of the major tasks performed, or likely to be performed. The costs associated with each of those major tasks and the method of calculation. The periods at which the external administrator proposes to withdraw funds from the administration for remuneration. An estimated total amount, or range of total amounts, of the external administrator's remuneration. An explanation of the likely impact of that remuneration on the dividends (if any) to creditors. Where internal disbursements are being claimed, the external administrator will report to creditors on the amount and method of calculation of these disbursements. 	<p>Sent at the same time as:</p> <ul style="list-style-type: none"> the notice to creditors of the meeting at which approval of remuneration will be sought; or the notice to creditors of the proposal without a meeting by which approval of remuneration will be sought <p>If approval of remuneration is not being sought, a RAR will not be provided.</p>

Approving remuneration

The meeting of creditors (or committee of inspection) gives a chance for those participating to ask questions about the external administrator's remuneration. Fees are then approved by a vote of the creditors. Alternatively, the external administrator may seek approval of remuneration via a proposal without a meeting. Whichever method is used, the external administrator must provide the same report to creditors about their remuneration (Remuneration Approval Report).

Creditors may be asked to approve remuneration for work already performed and/or remuneration estimate for work not yet carried out. If the work is yet to be carried out, the external administrator must set a maximum limit (cap) on the future remuneration approval. For example, 'future remuneration is approved, calculated on hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X'.

If the remuneration for work done then exceeds this figure, the external administrator will have to ask the creditors to approve a further amount of remuneration, after accounting for the amount already incurred.

If an external administrator can't get the creditors' approval, an application can be made to the Court to determine their remuneration.

When there are limited funds available in the administration, or the external administrator's remuneration is below a statutory threshold, an external administrator is entitled to draw a one-off amount of up to that threshold plus GST, without creditor approval. This amount is currently \$5,000 (indexed).

Who may approve remuneration?

Committee of inspection approval

A committee of inspection will generally only be established where there are a large number of creditors and/or complex matters which make having a committee desirable. Committee members are chosen by a vote of all creditors and work with the external administrator to represent the creditors' interests.

If there is a committee, the external administrator will ask it to approve the remuneration. A committee makes its decision by a majority in number of its members present in person at a meeting, but it can only vote if a majority of its members attend.

In approving the remuneration, it is important that committee members understand that they represent all the creditors, not just their own individual interests.

Creditors' approval

Creditors approve remuneration by passing a resolution at a creditors' meeting. Creditors may vote according to their individual interests.

To approve an external administrator's remuneration, a resolution is put to the meeting to be decided on the voices or by a 'poll' (if requested by the external administrator or a person participating and entitled to vote at the meeting). A poll requires a count of each vote and its value to be taken and recorded for each creditor present and voting.

A proxy is a document whereby a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator is only able to vote on remuneration if they hold a special proxy.

There are provisions for a resolution to be passed by creditors without a meeting. This still requires a majority in value and number of creditors voting to vote in favour of the resolution. Creditors representing at least 25% in value of those responding to the external administrator's proposal can object to the proposal being resolved without a meeting of creditors.

Deciding if remuneration is reasonable

If you are asked to approve an external administrator's remuneration, your task is to decide if the amount of remuneration is reasonable, given the work carried out in the administration and the results of that work.

You may find the following information from the external administrator useful in deciding if the remuneration claimed is reasonable:

- the method used to calculate remuneration
- the major tasks that have been performed, or are likely to be performed, for the remuneration
- the remuneration/estimated remuneration (as applicable) for each of the major tasks
- the size and complexity (or otherwise) of the administration
- the amount of remuneration (if any) that has previously been approved
- if the remuneration is calculated, in whole or in part, on a time basis:
 - the period over which the work was, or is likely to be performed
 - if the remuneration is for work that has already been carried out, the time spent by each level of staff on each of the major tasks
 - if the remuneration is for work that is yet to be carried out, whether the remuneration is capped.

ARITA's Code of Professional Practice ('the Code') outlines the steps external administrators should take to make sure they fulfil their responsibilities to creditors when asking creditors to approve remuneration, including when those creditors are acting in their capacity as committee members. The Code is available on the ARITA website at www.arita.com.au.

If you need more information about remuneration than is provided in the external administrator's report, you should let them know before the meeting at which remuneration will be voted on.

What can you do if you think the remuneration is unreasonable?

If you think the remuneration being claimed is unreasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve remuneration. You may also choose to not vote on the resolution (abstain).

You also have the power to put a resolution to the meeting. For example, you could put forward a resolution to change the way the external administrator charges for remuneration, or the periods at which the external administrator may withdraw funds. Any amending resolution must occur before the vote being taken on the resolution to approve remuneration. If the amended proposal is passed, the resolution is binding on the external administrator. However, such an amendment may result in the external administrator seeking to be replaced by another external administrator.

If the external administrator is seeking approval of remuneration via a resolution without a meeting and more than 25% in value of the creditors responding object using the form provided by the external administrator, the proposal will not pass. If the external administrator wants the proposal passed, a meeting will need to be convened and any creditor entitled to participate in the meeting has the right, before the vote is taken, to put a resolution to the meeting as mentioned above.

A creditor may apply to Court for a review of an external administrator's remuneration. Creditors also have the power to appoint, by resolution, a reviewing liquidator to review any remuneration approved within the six months and any disbursements incurred in the 12 months before the reviewing liquidator's appointment. The cost of a reviewing liquidator is paid from the assets of the external administration. An individual creditor may also appoint a reviewing liquidator with the external administrator's consent. An individual creditor seeking the appointment of a reviewing liquidator must pay the cost of the reviewing liquidator.

Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the administration; as careful as if they were incurring the expenses on their own behalf. Their report on remuneration sent to creditors must also include information on the out-of-pocket costs of the administration (disbursements).

Where these out-of-pocket costs are internal disbursements paid to the external administrator's firm (for example photocopying and phone calls) the external administrator must request creditor approval of these amounts. The external administrator may also ask for approval of internal disbursements in advance. If they do so, they will set the rates for those disbursements and a cap on the maximum amount that can be drawn.

If you have questions about any of these costs, you should ask the external administrator and, if necessary, bring it up at a creditors' or committee meeting. If you are still concerned, you have the right to seek the appointment of a reviewing liquidator (refer above).

Queries and complaints

You should first raise any queries or complaints with the external administrator or their firm.

If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a complaint with ARITA at www.arita.com.au or with ASIC at www.asic.gov.au. ARITA is only able to deal with complaints in respect of their members.

More information

The [ARITA website](http://www.arita.com.au) contains the ARITA Code of Professional Practice which is applicable to all its members. ARITA also provides general information to assist creditors at www.arita.com.au/creditors.

ASIC includes information on its website which may assist creditors. Go to www.asic.gov.au and search for 'insolvency information sheets'.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.

Annexure 7

Summarised Receipts & Payments (Period Comparison)

Cannim Australia Pty Ltd

(Administrator Appointed)

Transactions From 24 May 2025 To 24 November 2025

A/C	Account	Gross Brought Forward	Gross From 24/05/2025 To 24/11/2025	Gross Total
70	Non Refundable Deposit	0.00	4,000.00	4,000.00
1	Sales	0.00	5,879.50	5,879.50
6	Advance from Cannim Group	0.00	42,594.00	42,594.00
72	Pre Appointment Debtors	0.00	42,594.36	42,594.36
83	Bank Interest	0.00	0.28	0.28
	Total Receipts (inc GST)	0.00	95,068.14	95,068.14
39	Subscription (No GST)	0.00	853.86	853.86
39A	Subscription	0.00	2,125.20	2,125.20
13	Purchases (1)	0.00	12,116.07	12,116.07
47	Superannuation	0.00	1,707.72	1,707.72
51	Wages & Salaries	0.00	14,230.76	14,230.76
52	Sub Contractors	0.00	5,165.00	5,165.00
228	Superannuation Accrual	0.00	(1,707.72)	(1,707.72)
234	PAYG Withholding Tax	0.00	(3,548.00)	(3,548.00)
	Total Payments (inc GST)	0.00	30,942.89	30,942.89
	Sum of Total Payments and Receipts (inc GST)	\$0.00	\$64,125.25	\$64,125.25
	BALANCE IN HAND	\$0.00	\$64,125.25	\$64,125.25

Michael James Billingsley
Joint Voluntary Administrator

Summarised Receipts & Payments (Period Comparison)

Cannim Group Pty Ltd
(Administrator Appointed)

Transactions From 24 May 2025 To 24 November 2025

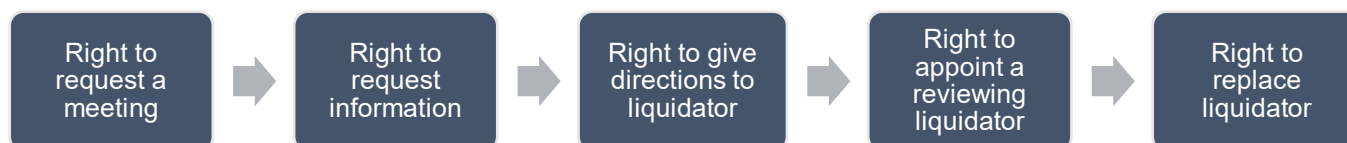
A/C	Account	Gross Brought Forward	Gross From 24/05/2025 To 24/11/2025	Gross Total
41	Professional Services	0.00	1.44	1.44
83	Bank Interest	0.00	22.51	22.51
88	Contributions - Corporate	0.00	490,000.00	490,000.00
	Total Receipts (inc GST)	0.00	490,023.95	490,023.95
60	Subscriptions	0.00	8,504.20	8,504.20
62	Cannim Australia	0.00	42,594.00	42,594.00
28	Advertising	0.00	1,100.00	1,100.00
36	Insurance	0.00	4,408.69	4,408.69
37	Lease Payments	0.00	10,825.29	10,825.29
46	Sundry Expenses	0.00	29.00	29.00
47	Superannuation	0.00	9,601.18	9,601.18
51	Wages & Salaries	0.00	80,010.44	80,010.44
51CA	Wages Canada	0.00	12,430.41	12,430.41
51UK	Wages United Kingdom	0.00	98,898.00	98,898.00
52	Sub Contractors	0.00	6,280.00	6,280.00
228	Superannuation Accrual	0.00	(9,601.18)	(9,601.18)
234	PAYG Withholding Tax	0.00	(19,500.00)	(19,500.00)
	Total Payments (inc GST)	0.00	245,580.03	245,580.03
	Sum of Total Payments and Receipts (inc GST)	\$0.00	\$245,580.03	\$245,580.03
	BALANCE IN HAND	\$0.00	\$245,580.03	\$245,580.03

Michael James Billingsley
Joint Voluntary Administrator

Annexure 8

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



If a simplified liquidation process is adopted, these rights are effectively limited to the right to request information.

Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors. The right to request meetings, including in the circumstances described below, is not available if a simplified liquidation process is adopted.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons. An individual creditor cannot provide a direction to a liquidator.

If a simplified liquidation process is adopted, you may not be able to give directions, because meetings cannot be held to pass a resolution.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. This right is not available if a simplified liquidation process is adopted. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

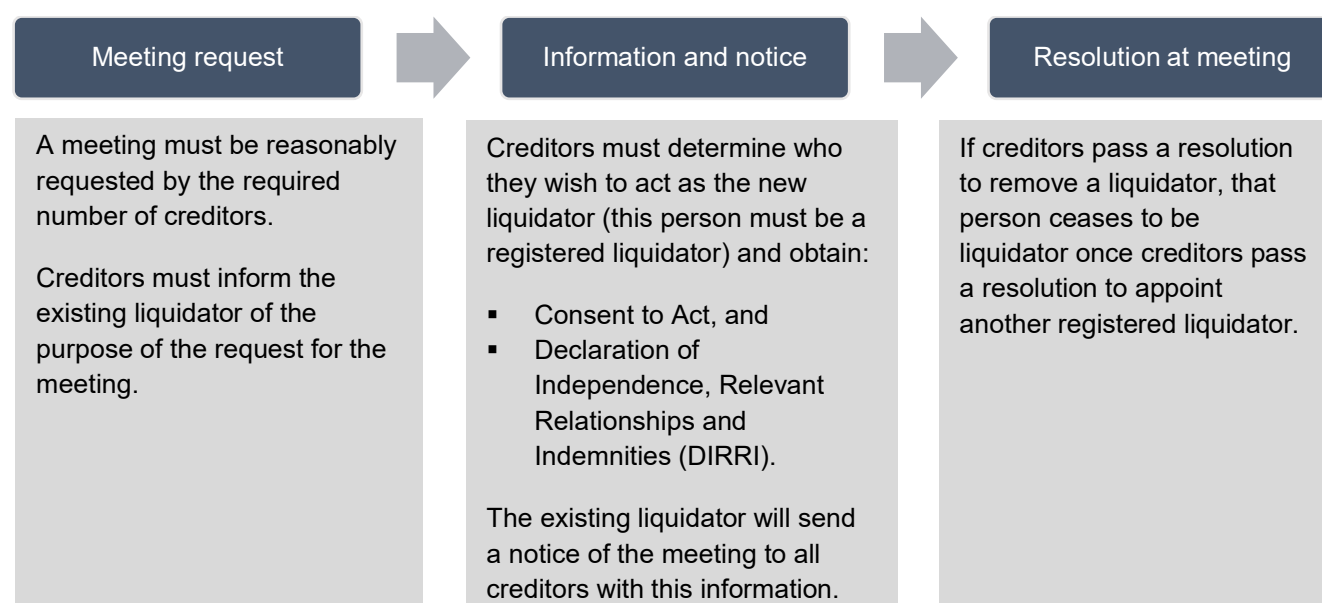
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator. This right is not available if a simplified liquidation process is adopted, because meetings cannot be held.

To replace a liquidator, there are certain requirements that must be complied with:



**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**