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PF Group Holdings Pty Ltd
(ACN 622 776 765) (Administrators Appointed)
PF Management Holdings Pty Ltd
(ACN 622 782 512) (Administrators Appointed)

Administrators:
Adam John Colley
Andrew John Scott
Stephen Graham Longley
Derrick Craig Vickers

Voluntary Administrators' report

5 February 2025

Strictly private and confidential

Glossary

Abbreviations	Definitions
ACCC	Australian Competition & Consumer Commission
Act	Corporations Act 2001 (Cth)
Administrators	Adam John Colley, Andrew John Scott, Stephen Graham Longley & Derrick Craig Vickers
AEDT	Australian Eastern Daylight Time
APAAP	All present and after-acquired property, a term associated with security interests under the PPSA
ARITA	Australian Restructuring Insolvency and Turnaround Association
ARL	The contingent collections business of ARL Collect Pty Ltd and its subsidiaries
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Brookfield	BSI PF Lender LP, the secured lender
CBA	Commonwealth Bank of Australia
CHAMP	CHAMP, formerly known as CHAMP Private Equity, who provided funding to PFGH prior to a refinance with the Secured Lender
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	PF Group Holdings Pty Ltd (Administrators Appointed) and PF Management Holdings Pty Ltd (Administrators Appointed)
Data room	An online data room hosted by the Administrator for hosting diligence information on Companies and Subsidiaries during sale process
D&O Policy	Directors and Officers Insurance Policy
Deed	Deed of Company Arrangement
DOCA	Deed of Company Arrangement
Deed Administrators	Adam John Colley and Andrew John Scott
Deed / DOCA Proponents	HJK Investments Pty Ltd; and HMB Investments Pty Ltd
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.
Directors	Mathew David Hough, Jamie Grant Hough
DXG	Deed of Cross Guarantee dated 25 May 2023
EBITDA	Earnings before interest, tax, depreciation and amortisation
FEG	Fair Entitlements Guarantee, a scheme administered by the Attorney-General's Department to provide assistance to employees owed outstanding employee entitlements following the insolvency/bankruptcy of an employer
FY	Financial Year (e.g. the financial year 1 July 2018 to 30 June 2019 would be expressed as FY19)
Francom	FCG Management Holdings Pty Ltd
Gamma Duo	Gamma Duo Financial Services Pty Ltd
Gedda	The consumer loans business of United Finance Group Pty Ltd and its subsidiaries
Group	The Companies and its Subsidiaries
HY	Half Year (e.g. the half financial year 1 July 2019 to 31 December 2019 would be expressed as HY19)
IPR	Insolvency Practice Rules (Corporation) 2016
k	Thousand

Abbreviations	Definitions
M	Million
Management	Individually or collectively Frank Terranova, CFO and Tanya Bryndzya, Financial Controller
NBIO	Non-binding indicative offers
Panthera Finance	Subsidiaries involved in PDL collection business, i.e. subsidiaries of PFMG excluding ARL
PDL	Purchased Debt Ledger
PFGH	PF Group Holdings Pty Ltd (Administrators Appointed)
PFMG	PF Management Group Pty Ltd
PFMH	PF Management Holdings Pty Ltd (Administrators Appointed)
PMSI	Purchase Money Security Interest as defined in the PPSA
PPSA	Personal Property Security Act 2009 (Cth)
PPSR	Personal Property Securities Register – a register set up under the PPSA for the registration of security interests
PwC	PricewaterhouseCoopers
ROCAP	Report on Company Activities and Property
Report	This report, prepared pursuant to Insolvency Practice Rule 75-225 and section 439A of the Act about the business, property, affairs and financial circumstances of the Company
s	Section
Second Meeting	Meeting held pursuant to Insolvency Practice Rule 75-225 and s439A of the Act where creditors determine the future of the Companies
Secured Lender/Creditor	BSI PF Lender LP
Subsidiaries	ARL Collect Pty Ltd ARL (NZ) Limited Australian Receivables Finance Pty Ltd Australian Receivables Management Pty Ltd Australian Receivables Portfolio Pty Ltd Billchaser Pty Ltd CrediBot NZ Ltd Finflow Solutions Pty Ltd (formerly Credibot Pty Ltd) Forbes Dowling Lawyers Pty Ltd National Revenue Corporation Pty Ltd PF Australia Pty Ltd PF Management Group Pty Ltd Panthera Finance NZ Ltd Panthera Finance Pty Ltd Panthera Finance (VIC) Pty Ltd (formerly CDDS Pty Ltd) Receivables People Solutions Pty Ltd State Mercantile Pty Ltd Statewide Mercantile Services Pty Ltd United Finance Group Pty Ltd United Funding Solutions Pty Ltd United Debt Assist Pty Ltd United Loan Solutions Pty Ltd
ULS	United Loan Solutions Pty Ltd
YTD	Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date (e.g. monthly management accounts from 1 July 2018 to 31 January 2019 would be expressed as 'YTD January 2019'

Contents

1. Disclaimer

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The contents of this Report are based on information obtained from the Company's books and records, financial systems, representations from the directors, key management (including key management of subsidiaries) and our own enquiries and investigations.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meeting.
- In considering the options available to creditors and formulating our recommendation, the Administrators have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on the Administrators' best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.
- Neither the Administrators, PricewaterhouseCoopers nor any member or employee of the firm is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.
- The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.
- This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of the Administrators.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

Liability limited by a scheme approved under Professional Standards Legislation.

2. Executive summary

2.1. Appointment background

Adam John Colley, Andrew John Scott, Stephen Graham Longley and Derrick Craig Vickers of PricewaterhouseCoopers, One International Towers, Watermans Quay, Barangaroo NSW 2000 were appointed Joint and Several Administrators (**Administrators**) of PF Group Holdings Pty Ltd and PF Management Holdings Pty Ltd (**the Companies**) on 26 June 2024 by the Secured Lender under s436C of the Act.

The Companies were the non-trading holding entities for the Subsidiaries, which operated the Panthera Finance Group (**the Group**). The Administrators were not appointed to the Subsidiaries. Refer to section 4 for the structure of the Group.

2.2. Report's purpose

The purpose of this report is to table the findings of our investigations into the Companies' business, property, affairs and financial circumstances, as well provide an opinion on the three options available to creditors in deciding the future of the Companies.

2.3. Administrators' opinion

Under the Act, creditors have three options available to determine the future of the Company:

- The Administration ends with control of the Company reverting to its Directors;
- The Administrators execute a Deed of Company Arrangement (**DOCA**); or
- The Company be wound up (i.e. placed into liquidation).

We recommend that it is in the creditors' interests that the Companies execute a DOCA.

The Administrators consider the structure of the DOCA, as set out in Section 2.6 below in summary, and in Section 9 in detail, will provide the best prospects of achieving a higher and more certain return for remaining creditors of the Companies.

The Administrators consider all material assets of the Companies have been realised during the administration to date and the Deed enables the Companies affairs to be finalised expeditiously whilst enabling the Deed Administrators to continue to comply with their contractual obligations under the share sale deeds executed for the sale of both the Gedda and non-Gedda businesses. In addition, the Deed provides for various mutual releases between the directors (and their related entities), the Companies, Brookfield and the Administrators.

2.4. Second meeting of creditors

The Second meetings of creditors (**Second Meetings**) will be held concurrently on:

Date:	Thursday 13 February 2025
Registration:	10:00am AEDT
Meeting time:	11:00am AEDT
Location	PricewaterhouseCoopers One International Towers Sydney, Watermans Quay Barangaroo NSW 2000 Video conference facilities will be available for creditors who are unable to attend in person

To register attendance and be entitled to vote at the Second Meetings, creditors must complete and submit the following forms attached at **Appendix B** and **Appendix C**.

- Form 532 – Appointment of Proxy

- Proof of Debt form.

Forms must be submitted by no later than 4pm AEDT on **Wednesday, 12 February 2025** to this office or by email to pfgroup@au.pwc.com.

2.5. Deed of Company Arrangement

We received a Deed of Company Arrangement **(DOCA)** proposal for the Companies from the Shareholders of PFGH (**PF Deed**) with the following key features:

- Adam Colley and Andy Scott will become Deed Administrators on execution of the PF Deed, immediately or soon after the Second meeting
- A Deed fund will be established to make payments to creditors of both companies including:
  - all of the assets of PFGH and PFMH, including the entire cash at bank in the voluntary administrators' accounts, as at the date the DOCA is executed by all parties to it (Commencement Date), being an amount of approximately $463,000; and
  - $52,636 by way of deed contribution by the Proponent (**Deed Contribution**), paid by way of a $25,000 non-refundable deposit (**Upfront Contribution)** with the remaining $27,636 balance paid within 2 business days of the deed fund being established

  (together, **Deed Fund**).

1) The Deed Fund is to be distributed as follows:
   a) firstly, in payment of the remuneration, costs and expenses of the Administrators incurred during the voluntary administrations of PF Group Holdings and PF Management Holdings;
   b) secondly, in payment of the remuneration, costs and expenses of the Deed Administrators;
   c) thirdly, in payment of claims of eligible employee creditors in accordance with the priorities in section 556 of the Corporations Act 2001 (Cth) (if any);
   d) fourthly, to the Australian Securities and Investments Commission (i.e. ASIC) the amount of $2,636;
   e) fifthly, in payment of BSI PF Lender LP's secured debt; and
   f) finally, in payment of unsecured creditors' claims on a pari-passu basis.

- Execution of mutual deeds of settlement and releases between the parties, and the Deed Administrators otherwise being satisfied there are no other outstanding contractual obligations that have arisen under the share sale deeds for the sale of the Gedda and non-Gedda businesses or any other transaction document.
- The anticipated sequence of events leading up to the PF Deed being wholly effectuated on the occurrence of the following events:
  - Receipt by the Deed Administrators of the Deed Fund in full
  - Consent from the Secured Creditor to the release of its security over the Companies.
  - Execution of a deed of settlement with mutual releases between:
    - the Secured Creditor;
    - the Directors;
    - the Companies; and
    - the Administrators and the Deed Administrators.
  - The Deed Fund will be distributed in the usual order of priority.
  - Control of PFGH and PFMH will then pass to the Directors and their existing shareholders, and the claims of all creditors of PFGH and PFMH will be fully released and discharged.

2.6. Estimated return to creditors

We estimate creditor returns under Liquidation and Deed scenarios will be:

Table 1 – Estimated return to creditors

Creditor type	Liquidation Cents in the dollar	Deed Cents in the dollar
Secured creditors	94 cents / $	94 cents / $
Employees	n/a	n/a
Unsecured trade creditors	Nil	100 cents / $
Related entities	Nil	Nil

2.7. Offences and liquidation recoveries

Our preliminary view is that, at all material times, the Companies did not trade while insolvent. We have not identified any potential offences and liquidation recoveries.

During the administration, we have been in correspondence with Jamie Hough and Mathew Hough (each a director and shareholder of the Companies), in relation to alleged claims they have each asserted against the other. We understand that some of these alleged claims involve either or both Companies as a party.

Further details regarding these potential claims are discussed at Section 7. It should be noted that further investigations would be required to be undertaken by a liquidator in order to reach a conclusion of any offences and potential liquidation recoveries.

2.8. Administrators' overview

2.8.1. Conduct of administration

Since our appointment we have:

- notified key stakeholders including key suppliers, customers, employees and creditors of the Companies and Group of our appointments;
- undertaken various attendances on the Group's premises to meet with subsidiary employees and other stakeholders
- made changes to board positions of the wholly-owned subsidiaries of PFMH which had the effect of removing Jamie Hough and Mathew Hough as directors of those companies and replacing them with Frank Terranova (Group's CFO) and Ryan Shaw as an independent director
- given the size and complexity of the companies and Group, we made two successful applications to the Federal Court of Australia to extend the convening period of the second meeting of creditors.
- implemented controls and other financial oversight functions to ensure trading of the Group as a going concern was continued with minimal disruption
- supported the subsidiaries in relation to licensing, regulatory and customer issues
- commenced a detailed sale process for the sale of the shares held by the Companies in the Group over a period of circa 6 months resulting in the successful sale of shares held by Companies to Gamma Duo in respect of the Gedda business and Francom in respect of the Panthera Finance business. Further discussion regarding the sale process and sale of Gedda and Panthera Finance assets is discussed at Section 5
- conducted investigations into the affairs of the Companies
- adhered to our statutory responsibilities and reporting, including the preparation of this Report
- reviewed and negotiated proposals for a DOCA with the DOCA proponents and their advisors

2.8.2. Group financial background

The Companies prepare consolidated audited financial statements (which include all Group companies). The most recent signed and audited financial statements were in respect of the financial year ended 30 June 2023. Unaudited management accounts were provided for the financial year to 30 June 2024. Key highlights of the Group's financial position are provided below (refer to section 6 for further details of the Companies' financial background).

In summary:

- The Companies / Group became significantly over leveraged in recent years after its debt-to-equity ratio increased from a sustainable 1.04 in June 2021 to 5.3 in June 2024. This was driven by material impairments on its PDL assets being recognised in FY22 and FY23 after collections materially underperformed expectations.
- The Group has been loss making since FY22 as a result of material PDL impairments, lower than forecast collections and an increasing cost base relative to revenue.
- Countering the loss-making position, the Group had been generating strong positive operational cash flow until the decision was made by the Directors to place Gedda into wind down in or about November 2023. Whilst the Group's cash position declined from this point onwards as the Group was effectively in wind down, there remained sufficient liquidity at all times to meet ongoing liabilities up to immediately prior to our appointment as Administrators.

2.8.3. Reasons for Group's difficulties

The Administrators are of the opinion that the following factors contributed to the deterioration of the financial performance of the Companies in the lead up to our appointment as Administrators:

- Actual collections on PDL loans significantly underperformed expected collections resulting in impairments on PDL assets of $39.8m in FY22 and $17.5m in FY23
- Material cost base increases in the period FY21 to FY24 due to a combination of head count increases and wage inflation
- Deteriorating financial position and leverage position meaning the Group decided to divest key PDL books, significantly reduced PDL book purchases required to sustain ongoing revenues and ceased loan originations in the Gedda business in FY24
- Corporate governance issues and shareholder disputes impacting the strategic responses to these key issues
- Regulatory issues, including imposition of regulator fines
- Constrained supply of PDL's for sale, driving up prices
- Covid-19 related impacts on debt collection activity

2.9. Remuneration

We are seeking approval for our remuneration at the Second Meeting as summarised below:

Table 2 – Summary of remuneration

Period	PFMH	PFGH
	Amount (excluding GST) ($)	Amount (excluding GST) ($)
Voluntary Administration		
Resolution 1: 26 June 2024 to 31 January 2025	**2,404,706**	**298,922**
Resolution 2: 1 February 2025 to 13 February 2025	**95,960**	**95,960**
Deed of Company Arrangement (if applicable)		
Resolution 3: 13 February 2025 to DOCA execution	**28,620**	**28,620**
Resolution 4: DOCA execution to completion of the DOCA	**38,715**	**38,715**
Liquidation (if applicable)		
Resolution 5: 13 February 2025 to completion of the liquidation	**125,055**	**125,055**

Please refer to our Remuneration Report at **Appendix D** for full details of key activities undertaken by us, our partners and staff and the remuneration approval sought.

3. Introduction

3.1. Appointment information

Adam John Colley, Andrew John Scott, Stephen Graham Longley and Derrick Craig Vickers of PricewaterhouseCoopers, One International Towers, Watermans Quay, Barangaroo NSW 2000 were appointed Joint and Several Administrators of the Companies on 26 June 2024 by the Secured Lender under s436C of the Act.

The Companies were party to the Deed of Cross Guarantee (DXG) entered by the Companies and the Subsidiaries on 25 May 2023. At the time of appointment and throughout the administration, the Administrators considered that all creditors of the entities subject to the DXG were contingent creditors of the Companies, including employees and trade creditors of the Subsidiaries. Notices and ongoing updates have accordingly been provided to creditors throughout the Administration to date.

Following the sale of shares held in Subsidiaries by the Administrators, in the Administrators' view, the DXG no longer applies as between the Companies and their wholly owned subsidiaries. Pursuant to the terms of the DXG, the effect of the sale of the Subsidiaries and notices given to ASIC is that:

- the Companies on the one hand, and the Gedda Group on the other; and
- the Companies on the one hand, and the Panthera Group on the other,

have fully and mutually released each other from their respective obligations under the DXG.

Having regard to the above, in the Administrators' view, any contingent creditors of the Companies, previously holding contingent claims against the Companies pursuant to the DXG (potentially including the employees and trade creditors of the Subsidiaries), no longer have those claims against the Companies and are no longer contingent creditors of the Companies (and by extension, are not entitled to participate or vote at any meetings of creditors of the Companies going forward). Any claims (including employee entitlements) that those persons have against the Subsidiaries are not affected by the mutual releases of the DXG referred to above.

3.2. Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) was provided in our initial report to creditors dated 28 June 2024. The DIRRI discloses information regarding any prior personal or professional relationships the Administrators and PricewaterhouseCoopers had with the Companies or related parties, our independence and any indemnities received relating to this appointment.

There are no additional declarations to be made since issuing the DIRRI on 28 June 2024.

3.3. Report's purpose

An administrator is required to investigate a company's business, property, affairs and financial circumstances and report to creditors on:

- the administrator's opinion on the options available to creditors:
  a) company be wound up (liquidation)
  b) company execute a Deed; and
  c) administration should end (with control of the company reverting the company's director(s)).
- investigations conducted

3.4. Purpose of second meeting

The Second Meeting will:

- address the contents of this Report
- respond to questions from creditors

- determine the Companies' futures by resolving one of the three available options
- seek approval of:
  - the Administrators' remuneration
  - the future remuneration of liquidators or deed administrators (as applicable)
  - should creditors desire, the formation of Committee(s) of Inspection

The current Administrators automatically become the Deed Administrators (save for Stephen Longley and Derrick Vickers) or Liquidators unless creditors resolve to replace them

The options available to creditors of the Companies and the Administrators' opinion on each option are set out in detail in **Section 11.**

We recommend that the **Companies execute the Deed of Company Arrangement (i.e. DOCA)** referred to in Section 9 of this Report.

3.5. Second meeting details

The Second Meeting will be held on Thursday 13 February 2025 at 11:00am AEDT. Formal notification Form 529 – Notice of Meeting of Creditors is attached at **Appendix A**.

A/V facilities using Microsoft Teams will be available for creditors who cannot attend the Second Meeting in person.

If you plan to attend Microsoft Teams, please register your interest in advance by no later than 4:00pm on Wednesday 12 February 2025 by emailing pfgroup@au.pwc.com

The meeting of creditors for each Company will be held concurrently however separate attendance registers and resolutions will be recorded in accordance with the Act.

On or about 17 September 2024, the Federal Court of Australia made orders extending the convening period to 7 February 2025. We sought the convening period extension to provide the Administrators with sufficient time to conduct a sale process for the Group's businesses.

3.6. Meeting registration

To register attendance and be entitled to vote at the Second Meetings, creditors must complete and submit the following forms attached at **Appendix B** and **Appendix C.**

Registration forms	Information
Form 532 – Appointment of Proxy	A new proxy form is required to be completed for each creditors' meeting (ie previous meeting proxy forms are invalid for the Second Meeting). If a corporate creditor wants to be represented at the Second Meetings, it must appoint an individual to act on its behalf by providing an executed proxy form. Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending in person a proxy form is not required.
Proof of Debt or Claim Form	This form is required to be completed to entitle a creditor to vote at the Second Meetings. Documents to support the amount claimed (e.g. unpaid invoices) must also be provided. There is no requirement to resubmit a proof of debt form if previously provided unless the amount claimed has changed. Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund.

Forms must be submitted no later than 4:00pm AEDT on Wednesday 12 February 2025 by email to pfgroup@au.pwc.com.

Only creditors of the Companies are entitled to vote at the Second Meetings.

We encourage creditors to attend the meeting using the Microsoft Teams link however for those creditors attending in person they are encouraged to arrive as early as possible after the registration time to enable the orderly registration of attendees so that the meeting can commence on time.

3.7. Committee of Inspection (COI)

Creditors may wish to establish a COI at the Second Meeting, typically to assist and guide the liquidator or deed administrator (as applicable). A minimum of two members is required to form a COI.

Given the small number of creditors of the Companies that remain we recommend that creditors do not establish a COI regardless of whether the creditors resolve to wind up the Companies or that it executes a Deed.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (telephone facilities will be available, so members do not have to attend in person). Members of the COI must have regard for the creditor group's interest, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting
- appoint a general power of attorney to attend the Second Meeting on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

3.8. Further information

To assist creditors, employees, and shareholders to understand the voluntary administration process, the Australian Securities and Investments Commission (**ASIC**) has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Appendix E** is ASIC's publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- www.asic.gov.au
- www.arita.com.au

4. Companies background

4.1. Companies overview

4.1.1. Companies in Administration

PF Group Holdings Pty Ltd (**PFGH**) and PF Management Holdings Pty Ltd (**PFMH**) (together **the Companies**) were incorporated on 10 November 2017 and registered in Queensland, Australia. The Companies were established by Jamie Hough and Matt Hough (**the Directors**) as non-trading holding entities for the Subsidiaries, which operate one of Australia's largest debt buyer and debt collection businesses.

The Companies are not employing entities and do not own property or hold rental leases in their own name. At the time of our appointment, the Subsidiaries employed approximately 207 full time employees across offices in Brisbane, Melbourne and Echuca.

The Subsidiaries' operations included the following activities:

- Purchase Debt Ledger (PDL) collections, being the most significant part of the Group's business
- Collection of consumer loan products in the form of secured loans primarily to the second-hand car market
- Collecting debts for clients on a contingent basis

PFMH was the primary borrower for the $150m secured Brookfield facility entered in September 2022 to refinance existing debt and facilitate the expansion of the consumer lending business.

The Group generated losses in FY22 and FY23 and in the period to December 2023

Information regarding the financial background of the Companies and Group is discussed in **Section 6**

4.1.2. Panthera Finance – PDL Collections

The PDL Collections division of the Group's operations made up 84% ($102m) of revenue in FY24. PDL's are categorised as either Banking and Finance (B+F), or General, which is made up of accounts with telecommunication and utility providers.

Panthera Finance has relationships with Australia's major banks, specialty finance companies, and major telecommunication and utility providers heavily diversified across 2,419 PDL tranches, with 48 different vendors and a face value of c.$1.7 billion at the time of our appointment.

At the time of our appointment the Panthera Finance business employed approximately 160 employees all located at the Brisbane office who managed the collection of the PDL's and provided shared services support (finance, HR, IT and compliance) to the broader group.

4.1.3. United Finance Group – Consumer Loans

United Finance Group began originating loans in 2017. Originally trading as LoanU and subsequently rebranded as Gedda Loans (Gedda) it specialised in providing finance for non-conforming borrowers, typically secured by personal vehicles.

Following a failed securitisation process, Gedda ceased originating new loans in November 2023, with its operations now solely consisting of collections of its legacy loan book.

In FY24 Gedda made up 11% of Group revenue.

At the date of our appointment Gedda employed c.5 staff based in Brisbane to facilitate the collection of c.$41m of consumer loans.

4.1.4. ARL Group – Contingent Collections

Involves the collection of debt ledgers on a contingent basis, making up c.6% of revenue in FY24. Entities associated with contingent collections include ARL, Bill Chaser, State Mercantile and Credibot.

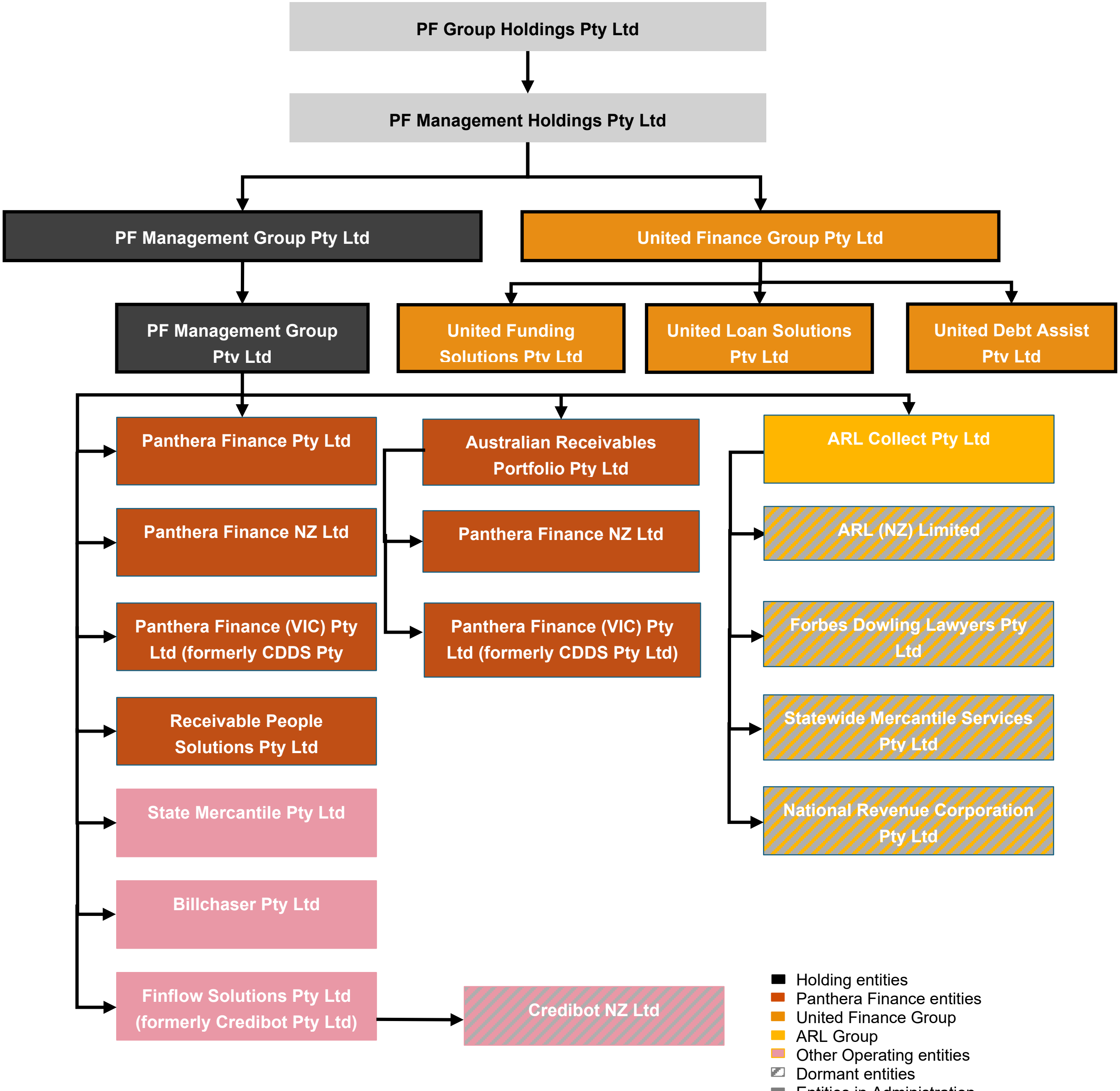
The ARL business operates from Melbourne and employed approximately 50 staff at the date of appointment.

ARL was acquired by Panthera in early 2018 and restructured in FY19 involving the closure of Sydney and Brisbane offices.

Historically ARL operated with a much larger revenue base however impacts of the banking royal commission, Services Australia 'robodebt' controversies and dropping of legal collection workstreams saw revenue reduce by 23% since FY21.

4.2. Corporate structure

A diagram of the Group structure as at the date the Administrators were appointed is provided below.



Note: Each subsidiary is 100% owned by its parent shareholder, apart from Billchaser Pty Ltd which is 66.7% owned

4.3. Companies background and timeline of key events

Table 3 – Companies' key events

Date	Key Events
2004	State Mercantile Pty Ltd was founded and incorporated by Mathew and Jamie Hough (2004) and commenced contingent collections business (2005)
2009	A new company named CDDS Pty Ltd was incorporated in 2009 and commenced acquiring PDLs
2010	Panthera Finance Pty Ltd was incorporated for the primary purpose of acquiring PDL portfolios. Increased focus on PDL investments
2015	On 1 July 2015, the Panthera Group was formally consolidated bringing the previously separate operating entities under a common holding Company, PF Australia Pty Ltd. Digital Collections capability established.
2017	On 17 November 2017 the Companies were incorporated along with PF Management Group Pty Ltd In December 2017, ownership was transferred from HMB Investments Pty Ltd and HJK Investments Pty Ltd for: - PF Australia Pty Ltd to PF Management Group Pty Ltd - United Finance Group Pty Ltd to PFMH In December 2017, CHAMP Provided a $50m loan note with separate warrants Secured consumer lending business, United Finance Group (originally trading as Loan U and subsequently Gedda Loans) began operations in December 2017
2018	ARL Group was acquired in January 2018 CrediBot entered partnership with Equifax to market and distribute digital collections platform to third-party clients Bill Chaser online contingent collection portal established in Q1 2018
2020	Jamie Hough becomes CEO in early 2020 following the resignation of former CEO, Richard Kennerley Court outcome of ban in Victoria and $500k fine due to ACCC complaints COVID-19 saw a tightening of the PDL market and a negative impact on collections due to deferral mechanisms introduced by Panthera
2021	Gedda expands into NSW and VIC markets through appointments of business development managers in NSW and two in VIC with large broker networks, January 2022 and June 2021 respectively In June 2021 Panthera recognised an impairment of $19m to their PDL book. In 2021 a proposed sale to ICG (Intermediate Capital Group) failed
2022	In June 2022 Panthera recognised a further impairment to their PDL book of $39.8m In October 2022, the Group finalised a refinancing of its debt facilities with Brookfield Matt Hough formally resigned as an executive director in April 2022, though remained on the board

2023	Having joined the board in late 2022 Mike Cutter resigned as a non-executive, independent director in March 2023. In June 2023 Panthera recognised an impairment of $17.5m to their PDL book Following a failed securitisation process, Gedda ceased loan originations in November 2023 and is now in run off December 2023 saw the sale of the CBA PDL book to a competitor for $24.1m contributing to $25m early repayment to Brookfield under consent letter dated 7 December 2023 (**Consent Letter**), involving: - a reduced make-whole payable to Brookfield from c.$5m to $3.5m - requirement to appoint an investigative accountant - undertaking that Gedda cease issuing loans; and imposed restrictions on PDL acquisitions
January 2024	In January 2024 the Group entered into Safe Harbour Panthera reportedly under investigation by regulator Consumer Affairs Victoria (CAV)
February 2024	Grant Samuel mandate to commence a sale process in February 2024 for parts or all of the business, however the process did not result in a completed sale.
May 2024	On or about 13 May 2024, the Group reported a breach of covenants to Brookfield (tested on 31 March 2024).
June 2024	On or about 24 June 2024 a notice of demand was issued to by Brookfield making the debt due and payable. Appointment of Administrators to PFGH and PFMH on 26 June 2024.

4.4. Statutory information

4.4.1. PFGH

A search of ASIC's database at the date of our appointments revealed the following details of PFGH and its directors, other officers and shareholders.

Table 4 – PFGH's company information

PF Group Holdings Pty Ltd	
Date of incorporation	10 November 2017
Registered office	L2 555 Coronation Dr Toowong QLD 4066
Principal place of business	L2 555 Coronation Dr Toowong QLD 4066

Directors' details	Appointment from
Jamie Grant Hough	10 November 2017
Mathew David Hough	10 November 2017

Secretary's details	Appointment from
Frank Terranova	28 October 2021
Shareholders	**Shareholding details**
HJK Investments Pty Ltd	509,250,000 fully paid ordinary shares (total amount paid $509,250,000)

Secretary's details	Appointment from
HMB Investments Pty Ltd	509,250,000 fully paid ordinary shares (total amount paid $509,250,000)

Appointed Auditor	Appointment from
Grant Thornton	1 December 2017

Source: *ASIC search dated 20 June 2024*

The directors of PFGH were inadvertently removed and replaced by Frank Terranova and Ryan Shaw shortly after our appointment. We understand that forms to correct these errors have been lodged with ASIC however at the time of this report are yet to be reflected. The Administrators are in the process of rectifying ASIC records.

4.4.2. PFMH

A search of ASIC's database at the date of our appointments reveals the following details of PFMH and its directors, other officers and shareholders.

Table 5 – PFMH's company information

PF Management Holdings Pty Ltd	
Date of incorporation	10 November 2017
Registered office	L2 555 Coronation Dr Toowong QLD 4066
Principal place of business	L2 555 Coronation Dr Toowong QLD 4066

Directors' details	Appointment from
Jamie Grant Hough	10 November 2017
Mathew David Hough	10 November 2017

Secretary's details	Appointment from
Frank Terranova	28 October 2021

Shareholders	Shareholding details
PF Group Holdings Pty Ltd	2 fully paid ordinary shares (total amount paid $2)

Appointed Auditor	Appointment from
Grant Thornton	1 December 2017

Source: *ASIC search dated 20 June 2024*

The directors of PFMH were inadvertently removed and replaced by Frank Terranova and Ryan Shaw shortly after our appointment. We understand that forms to correct these errors have been lodged with ASIC however at the time of this report are yet to be reflected. The Administrators are in the process of rectifying ASIC records.We are not aware of any inaccuracy in ASIC's records.

4.5. Creditors' claims

At our appointment date, the claims of the PFGH's creditors totalled $195,403,395, and the claims of the PFMH's creditors totalled $151,130,804. The following table summarises estimated claims by each known class of creditor.

Note that pursuant to a Deed of Cross Guarantee between the Companies and its Subsidiaries, a number of parties were classified as contingent creditors for the purposes of our First Meeting of Creditors, however as advised in section 3.1 of this report, the Companies in Administration have since been released from their obligations under the DXG and as such for the purposes of this report our view is they are no longer any external unrelated contingent creditors of the Companies that would be entitled to submit a claim in the winding up of the Companies. Refer to section 4.6 for further details of contingent creditors.

Table 6 – Creditors' claim

	Note	PFGH		PFMH	
Creditor class		Number of creditors	Amount ($)	Number of creditors	Amount ($)
Secured creditors					
Circulating and non-circulating	4.5.1	1	151,129,486	1	151,129,486
Employee entitlements					
Priority creditors		-	-	-	-
Unsecured creditors					
Trade/External creditors	4.5.5	1	1,318	1	1,318
Related entitles	4.5.6	3	44,272,591	-	-
Total creditor claims		**5**	**195,403,395**	**2**	**151,130,804**

These claims may be subject to change.

These amounts have been derived from the:

- Report on Company Activities and Property (**ROCAP**) provided by the directors (**Section 6.3**)
- Company's books and records
- Formal proof of debt or claim forms submitted by creditors.

4.5.1. Secured creditors

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the Personal Property Securities Register (**PPSR**) or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- circulating assets (formerly known as 'floating' assets) e.g. debtors, stock and cash
- non-circulating assets (formerly known as 'fixed' assets) e.g. property, plant and equipment, land, goodwill and rights to dividends.

A search of the PPSR revealed the following security interests registered over the Companies' assets:

Table 7 – PPSR search

Creditor class	Creditor name	No. of security interests in PFMH	No. of security interests in PFGH
APAAP*	Global Loan Agency Services Australia Pty Ltd	1	1
Intangible property	Global Loan Agency Services Australia Pty Ltd	1	1

** All present and after-acquired property – no exceptions (**APAAP**)*

Searches of the Victorian, New South Wales and Queensland Land Titles Offices did not reveal any landholdings by either PFGH or PFMH.

Secured Creditor claim:

Brookfield submitted a proof of debt consisting of $151.1m at appointment, which consisted of an outstanding principal debt balance of $128.9 and an estimate of "make whole" amounts contractually payable of $22.3m. Brookfield were entitled to these make whole payments in the event PFMH repaid the debt before falling due.

Brookfield submitted a proof of debt for $151.1m for both Companies on the basis that its facilities were cross collateralised against both Companies.

During the course of the Administration Brookfield as Secured Lender received interim distributions totalling $124.5m from the sale of shareholdings and surplus cash generated by the trading of the Subsidiaries.

Brookfield has since advised that they only intend to make a residual claim for $8.4m and will not claim for residual make whole amounts that may otherwise be claimable.

A summary of Brookfield's claim of $8.4m is provided in the table below:

Item	Amount ($m)	Running balance ($m)
Opening balance of debt at appointment	$128.9	$128.9
Add: Accrued Exit Fees and interest	$4.0	$132.9
Less: Payments from realisation of assets	($124.5)	$8.4
Balance of debt at 3 February 2025	**$8.4**	

4.5.2. Employees

Outstanding employee entitlements have a statutory priority for payment over other creditors (except from the proceeds of non-circulating asset realisations). All group employees were employed by Receivables People Solutions Pty Ltd which was a company within the Panthera Finance Group that was sold on 19 December 2024.

We have not identified any employees or outstanding employee entitlements owed by PFGH or PFMH.

4.5.3. Excluded employees

Excluded employees are defined in the Act as directors and their spouses or relatives (s556(2)).

Outstanding priority employee entitlements for excluded employees are limited to $2,000 for wages (including superannuation) and $1,500 for unpaid annual leave and long service leave. The balance of their entitlements ranks as an unsecured claim (s556(1A) and (1B)) of the Act.

We have not identified any excluded employees owed outstanding entitlements by PFGH or PFMH.

4.5.4. Fair Entitlements Guarantee (FEG)

As we have not identified any employees or outstanding employee entitlements owed by PFGH or PFMH, we don't believe that the Fair Entitlements Guarantee Scheme will be applicable to PFGH or PFMH.

In the event that the Companies are placed into liquidation, an employee may be eligible for payment of any shortfall in their employee entitlements (excluding superannuation) under FEG which is administered by the Attorney-General's Department.

Former employees must meet eligibility requirements outlined in the *Fair Entitlements Guarantee Act* 2012.

FEG advances are repaid to the Government if and when funds become available, in the same priority as employees' claims.

Further information can be found on FEG's website at www.ag.gov.au/FEG.

4.5.5. Unsecured Creditors

PFGH's unsecured creditors total $382,916 as follows:

Creditor class	No of creditors	Company records or ROCAP amount ($)
Trade/External creditors	1	1,318
Related entitles	4	44,271,273.47
Total creditor claims	**5**	**44,272,591.47**

These figures are derived from PFGH's books and records.

PFGH's unsecured creditors by value are:

No.	Creditor name	Total claim	% of claims
1	PF Management Holdings Pty Ltd	43,889,675.31	99.14%
2	Mathew Hough / HMB Investments Pty Ltd	194,074.38	0.44%
3	Jamie Hough / HJK Investments Pty Ltd	187,523.78	0.42%
4	ASIC	1,318	0.00%
Total unsecured creditors		**44,272,591.47**	**100%**

PFMH's unsecured creditors totalled $1,318 as follows:

Creditor class	No of creditors	Company records or ROCAP amount ($)
Trade/External creditors	1	1,318
Total creditor claims	**1**	**1,318**

PFMH's unsecured creditors by value are:

No.	Creditor name	Total claim	% of claims
1	ASIC	1,318	100%
Total unsecured creditors		**1,318**	**100%**

4.5.6. Related entities

PFGH's related entities and the quantum of their claims at the date of appointment are summarised below:

Table 8 – PFGH's Related entities

Related entity	Relationship	Proof of debt amount ($)
Mathew Hough / HMB Investments Pty Ltd	Director / Shareholder	194,074.38
Jamie Hough / HJK Investments Pty Ltd	Director / Shareholder	187,523.78
PF Management Holdings Pty Ltd	Subsidiary	43,889,675.31
Total related entity claims		**44,271,273.47**

Related entity claims have not been verified or adjudicated upon. Based on our preliminary review of the Company's books and records, the claims by the Directors appear to have arisen from claims for legal expenses relating to disputes between the Companies' directors.

Potential voidable transactions involving related parties are discussed in **Section 8.1**

4.5.7. Contingent creditors

Prior to the release of the DXG, claims against subsidiaries would be a "Debt" of a "Group Entity" pursuant to the terms of the DXG. However, under the DXG, a Debt of a Group Entity only becomes enforceable upon the winding up of the Group Entity or in any other case, 6 months after the winding up if the debt has not been repaid in full. Accordingly, and given no winding up has occurred, the terms of the DXG did not become enforceable during the administration period.

Contingent creditors previously included the creditors of the Subsidiaries as at the date of our appointment and are reproduced below.

Table 9 – Contingent creditors

Contingent creditors of both Companies under DXG	Number of creditors	Amount ($)	Comment
Contingent creditors under DXG			
Subsidiary employees	206	-	All employees of the Subsidiaries were classified as Contingent creditors of the Companies on the basis of employee entitlements owing at the date of our appointment.
Subsidiary landlords	4	-	Landlords of the Subsidiaries were classified as Contingent creditors of the Companies on the basis of employee entitlements owing at the date of our appointment.
Subsidiary PPSR registrants	22	-	
Contingent creditors – ongoing suppliers	3	91,205	Various trade suppliers of Subsidiaries submitted a proof of debt claim, we understand that all trade suppliers of Subsidiaries were paid within terms during the course of our Administration of the Companies
Contingent creditors – unproven	1	14,042,311	Manning Credit Fund submitted a claim against Panthera Finance Pty Ltd pursuant to a Master Purchase Agreement, under which they purchased various pools of Part IX Debt Agreements by way of equitable assignment. The Companies in Administration were not party to the Master Purchase agreement. We have not considered the liability of Panthera Finance to Manning Credit Fund in detail. However, assuming it is a claim for the right to receive future proceeds from Panthera Finance which had not yet crystallised, then Manning is a contingent creditor of Panthera Finance.
Total creditor claims	**236**	**14,133,516**	

As advised in section 3.1 of this report, the Companies in Administration have since been released from their obligations under the DXG and as such for the purposes of this report our view is they are no longer any external contingent creditors of the Companies nor would they be entitled to submit a claim in the winding up of the Companies if this were to occur.

5. Conduct of administration

5.1. First meeting of creditors

The first meetings of creditors of the Companies were held on Monday, 8 July 2024 (First Meeting), pursuant to s436E of the Act.

Creditors did not resolve to appoint a Committee of Inspection (**COI**) at the meetings.

A copy of the first meeting minutes may be obtained from ASIC's website.

5.2. Asset realisation / sale process

The Companies main assets comprised shareholdings in its operating subsidiaries. In parallel with reviewing and stabilising ongoing trading of subsidiaries during the Administration period, the Administrators commenced a sale process for the shares of the operating Subsidiaries:

5.2.1. Understanding prior sale processes

The Administrators noted that Grant Samuel had been engaged to run a sale process for all or parts of the Panthera Finance business from February 2024. On appointment, the Administrators held separate meetings and discussions with Management, the Secured Lender and Grant Samuel to understand the format of the process undertaken by Grant Samuel, engagement from interested parties and any other learnings or information useful to an Administrator run process.

We also obtained an Interested Parties list with contact details from the prior sale process.

Separately we were advised by Management that as at the date of our appointment, negotiations had been ongoing with an interested party for a sale of the Gedda business **(Gedda interested party)**. We discussed the heads of terms of that sale and agreed to explore this option in parallel. On this basis, the Administrators disclosed that there was a prospect of a separate sale of the Gedda business to parties interested in a whole of business transaction.

5.2.2. Administrators Sale process for interests in subsidiary operated businesses

We commenced a sale process for the group's interest in the businesses of the Subsidiaries **(Sale Process)**. The sale process was separated into a two-stage process. Stage 1 sought expressions of interest from all Interested Parties and invited those who completed a non-disclosure agreement (NDA) to review core diligence information (Stage 1 Materials). A shortlist of offers which maximised value to the Creditors of the Companies and minimised execution risk were to be advanced to Stage 2 where additional diligence information was to be provided along with due diligence sessions with the Subsidiaries' management team.

Table 10 - Summary of sale process

Date	Action
5 July 2024	Advertisement ran in the AFR between Friday 5 July 2024 and Tuesday 9 July 2024 seeking expression of interests to participate in the Sale Process and a request to contact the Administrators before 12 July 2024.
18 July 2024	The Federal Court of Australia granted the Administrators a 2-month extension of the convening period up to 18 September 2024.
22 July 2024	21 interested parties who had expressed their interest in participating in the Sale Process and completed an NDA were issued a Stage 1 Process Letter which included details of: • An indicative transaction timetable • Transaction structures that the Administrators would consider which included a share sale / DOCA or business and asset sale structure • Information requirements from Interested Parties for consideration of a non-binding indicative offer (NBIO) The Interested parties were also provided with access to Stage 1 Materials, including: • Information memorandum

	• Financial forecast model and supporting data packs Access to a data room containing supplementary information on Subsidiaries to enable due diligence
23 July 2024	Key developments in CAV Proceedings (detailed below) prompting additional queries from interested parties. Through the course of enquiries and submissions during Stage 1 of the sale process, it was apparent that Interested parties considered the CAV Proceedings to be a significant risk factor in any transaction for Subsidiaries.
w/c 5 August 2024	10 non-binding indicative offers (NBIO) were received from various participants included the offers for the acquisition of some or all the shares / assets of the Subsidiaries. **Gedda Subsidiaries Prospective Sale:** We separately obtained the heads of terms details from the Gedda Interested Party, Gamma Duo Financial Services Pty Ltd (“**Gamma Duo**”), for the proposed acquisition of the assets of the *"Gedda"* business. This proposed acquisition was a transaction for either shares or assets held by the subsidiary company United Finance Group Pty Ltd and its wholly-owned subsidiaries ("**Gedda**"). United Finance Group Pty Ltd was not in Administration and so this offer was primarily being managed by the Directors of United Finance Group Pty Ltd. The Directors provided regular updates to the Administrators on the status of negotiations of a potential sale of Gedda to Gamma Duo.
9 August	Stage 2 Process Letter was issued to seven participants remaining in the Administrators' Sale Process, requesting reconfirmation of their bids by 23 August 2024.
23 August	The seven remaining interested parties received emails outlining further guidance, proposed next steps, and a revised timetable for the sale process. Certain bidders required additional time to understand the impact of the CAV Proceeding on their bids. Additionally, Panthera Group management presentations were extended to two weeks, and there were delays in providing draft term sheets following the initial due diligence.
30 August	Five parties submitted reconfirmed offers via term sheets. The Administrators conducted clarifying calls with these parties on 2 and 3 September.
September – early October	Over the course of September 2024 and early October 2024, one party formally withdrew and further discussions were held with remaining parties to determine their ability to secure funding and execute a transaction. A preferred bidder, FCG Management Holdings Pty Ltd (“**Francom**”), was identified based on providing the lowest execution risk and best return to Creditors.
October - November	**Gedda Subsidiaries Sale:** A formal offer was received from Gamma Duo, for the acquisition of the shares in the Gedda business from United Finance Group Pty Ltd. During due diligence, Gamma Duo determined that their preferred structure was to actually acquire the shares of United Finance Group Pty Ltd held by PFMH. This offer was accepted by the Administrators on the basis that it provided a superior outcome to Creditors compared to the value ascribed to Gedda by other interested parties. Negotiation of a Gedda Share sale deed commenced and was subsequently signed on 16 October 2024. The Gedda sale completed on 8 November 2024. The sale of Gedda business was disclosed to Francom, as the preferred bidder for the remainder of Group.
October – 5 December 2024	**Remaining Subsidiaries Sale:** Negotiation of share sale deed for all remaining subsidiaries with Francom which was signed on 5 December 2024

19 December 2024	Completion occurred on 19 December 2024

CAV Proceedings and impact on sale process timetable

The CAV Proceeding began around 23 July 2024, prompting the Administrators, with assistance from Management and Clayton Utz, to prepare and upload a summary of PFPL's interactions with the ACCC and CAV to the Data Room. CAV began its investigation into Panthera around June 2022. On 23 July 2024, CAV filed a charge sheet and summons with the Magistrates Court of Victoria, commencing the CAV Proceeding. A first mention hearing occurred on 19 August 2024, resulting in procedural orders and scheduling the next committal mention hearing for 11 November 2024. There was no set timeline for the Magistrates Court of Victoria to hear the CAV Proceeding or deliver a judgment, making it uncertain when the case will reach a final hearing.

Participants in the sale process made various enquiries about the proceedings' status, submissions, and correspondence with CAV.

The uncertainty caused by the proceedings was a key factor in the Administrators decision to apply to the Federal Court of Australia for a second extension of convening period for a second creditors meeting to 7 February 2025.

5.2.3. Valuation

The Administrators engaged Hewlett & Murray to complete a valuation of the trading subsidiaries. The valuation is commercially sensitive so has not been included in this Report, but it has been used to inform the assessment of any offers to purchase the subsidiaries.

5.2.4. Gedda Sale

As detailed in the Timetable above the sale of shares in the Gedda business to Gamma Duo completed on 8 November 2024 for total net consideration of $$25.4m.

The Gedda Sale incorporated a number of highly complex agreements which needed to be negotiated and agreed over a several week period to give effect to:

- The acquisition of certain underlying Gedda loans (based on a criterion required by the Gamma Duo), but not others
- The transfer of certain loans to be acquired by the Gamma Duo, but which were legally held in non-Gedda Subsidiary entities
- Commercial arrangements between Gamma Duo and the (then) remaining Panthera Finance subsidiaries for the collection of certain loans not being acquired by the Gedda Interested Party but which were unable to be transferred out of the Gedda Subsidiaries prior to completion. This also required arrangements to be agreed with the Secured Creditor who held security over these loans.
- The release of certain intercompany loans between the Gedda Subsidiaries and other entities in the Group, including associated tax planning and analysis. The release of loans was reasonable and necessary on the basis of the value realised from the sale of shares in the Gedda Subsidiaries.

Negotiations regarding the above involved several parties included the Administrators, the directors of the trading Subsidiaries, the Secured Creditor, Gamma Duo and its financier.

5.2.5. Whole of business Sale

As detailed in the Timetable above the sale of shares in PFMG held by PFMH to Francom completed on 8 November 2024 for total consideration of $88.0m on a debt free, cash free basis (subject to a standard "locked box" purchase price adjustment mechanism). In acquiring PFMG, Francom effectively acquired all remaining entities, assets and liabilities of the Panthera Group.

This followed an extensive five-month sale process which attracted foreign and domestic interested parties, including financial and strategic buyers. The process included the facilitation of detailed due diligence materials and management presentations, particularly around key risk issues impacting the Group, including the CAV Proceedings. The Administrators also considered various acquisition structures put forward by interested parties including structures involving the acquisition of certain assets and certain shares of the Group, each of which involved different legal, tax, commercial and other considerations.

In conjunction with the sale of shares a release of intercompany loans between PFMG and PFMH was entered into including associating tax planning. The release of loans was reasonable and necessary on the basis of the value realised from the sale of the shares in PFMG.

5.2.6. Tax review and income tax refund

For income tax purposes, the Group was a consolidated tax group with PFGH as the 'head company'. A tax sharing agreement and tax funding agreement for the consolidated tax group was in place at the time of our appointment.

In connection with the sale process, the Administrators conducted a review of the Group's tax position and recent income tax returns. This review identified a potential recovery in relation to 'loss carry back tax offsets'. In liaison with the Group's external tax agent, an amended income tax return for FY23 was lodged with the ATO resulting in a tax refund of $4,823,586.48 comprising:

- the loss carry back tax offset of $4,642,068.90
- interest on overpaid income tax of $181,517.58

The refund was received from the ATO on 18 December 2024.

5.3. Subsidiary trading – ongoing monitoring

5.3.1. Supporting subsidiaries in relation to licensing, regulatory and customer issues

We have worked with the key management staff of the subsidiaries to address licensing, regulatory and customer issues that both existed prior to our appointment or arose because of our appointment. This has included meeting with regulators and key customer and facilitating license transfers where appropriate.

5.3.2. Inputting appropriate procedures for oversight of subsidiaries

Management and oversight of the Group was established in the form of detailed weekly reporting to the Administrators, supported by regular calls and meetings with Management to review cashflow, PDL purchases and other operational matters.

5.3.3. Conducting Investigations

Our investigations have included:

- Interviewing the directors and key management team members regarding the circumstances leading to the appointment of Administrators
- Interrogating the financial records of the Companies and the consolidated financial statements of the PFGH consolidated group
- Determining the causes for the difficulties experienced by PFGH/PFMH
- Considering potential insolvent trading, breaches of director duties and voidable transaction claims utilising the information obtained from our investigations
- Reviewing and considering potential legal claims alleged by the Companies/directors.

5.4. Court Applications

A second meeting of creditors is ordinarily convened within 20 business days after an administration begins.

The Administrators made separate applications to the Court, on 16 July 2024 and 16 September 2024 respectively, requesting extensions to the convening period primarily to address complexities arising in the sale of business process and to allow the additional time needed to properly conduct the process.

The applications made were successful. The Orders obtained from the Court are summarised below.

5.4.1. Orders – 16 July 2024

Extension of convening period

On 16 July 2024, the Court granted an extension to the statutory convening period for the Second Meetings to 18 September 2024.

The Court made Orders that Administrators facilitate electronic notifications to creditors during the Administration period.

Rationale for requesting an extension of the convening period

The rationale for requesting the first extension of the convening period was primarily related to the Administrators' Sale Process and the additional time needed to allow that process to properly develop and identify a purchaser(s) and/or a DOCA proponent(s) which would provide a better outcome to creditors and other stakeholders (e.g. employees) as compared to a liquidation, or at least to enable the Administrators to be in a position to provide creditors with information concerning a DOCA pro. The extension of time sought by this application also allowed the Administrators to progress other workstreams (which due to the complex nature of the Panthera Group and its various businesses, had not yet been able to be completed to a level that would allow the Administrators to fulsomely report to the Companies' creditors ahead of the Second Meetings).

5.4.2. Orders – 17 September 2024

Extension of convening period

On 17 September 2024, the Court granted a further extension to the statutory convening period for the Second Meetings to 7 February 2025. The Orders regarding electronic provisions of notices to creditors outlined in the 16 July 2024 Orders were replicated in these Orders.

Rationale for provision of a further extension of the convening period

The rationale for requesting a second extension of the convening period was primarily to account for the impact of the CAV Proceedings on the participants in the Administrators' sale process. It had become apparent to the Administrators that the existence of the CAV Proceedings had impacted the time spent by potential bidders in conducting due diligence

As a result, more time than anticipated at the time of the first convening period extension application was needed for:

- Interested parties to formulate and put forwards offers
- The Administrator's to assess and negotiate the offers made.

Given the complexity of the reconfirmed bids received, the Administrators were required to further revise the timetable after the filing of the interlocutory process. The Administrators considered that further time was required to allow their ongoing sale process to continue, and potentially result in a sale of some or all of the Companies' assets for the benefit of creditors. The Administrators considered that a further extension of the convening period to 7 February 2025 will be sufficient to enable their sale process to complete.

6. Companies' financial background

This Section considers the financial background specific to PFGH and PFMH, but also the financial background of the consolidated Panthera Finance Group. We have taken this approach because:

- PFMH was the primary borrower for the Group's secured debt at the date of our appointment. PFMH's main assets are loan accounts owed by PFGH and PFMG. PFMH relied on repayment of these loans to meet its liabilities.
- Repayment of PFMH's loan by PFMG was ultimately reliant on the Panthera Finance business generating sufficient funds to repay the loan.
- PFGH's main outstanding debt was owed by ULS. PFGH was partially reliant on the Gedda business to generate funds to repay its loan from PFMH.
- Most members of the Group were party to a deed of cross guarantee (excluding the New Zealand based entities). This meant that creditors of entities that were party to the Deed of Cross Guarantee may have claims against all entities that were party to the Deed of Cross Guarantee (**DXG**).

PFGH and PFMH are both holding companies. PFGH acts as the "TopCo" of the Group, and PFMH, the immediate "HoldCo" of the Group's operating subsidiaries. Neither entity is considered a reporting entity and the financial information for these entities is not typically presented or analysed on a standalone basis. We understand that it is typical for Management to post consolidation entries to the trial balances of these entities (e.g. tax accounting and elimination entries). For this reason, certain balances set out in this Section may ostensibly skew or misrepresent PFGH and PFMH's historical results.

The Group maintains a NetSuite accounting system and prepares forecasts monthly to assist management decisions.

The Group prepares annual financial statements at the consolidated Panthera Finance Group level and monthly management accounts at both a consolidated level and on a standalone basis. The Group's consolidated annual financial statements are audited. The last audited financial statements are for the year ended 30 June 2023. The financial information shown for PFGH and PFMH are extracts from NetSuite (i.e. raw data), the general ledger accounts have been presented (or mapped) in accordance with the mapping used for Group's audited consolidated annual financial statements.

We have completed a preliminary financial analysis on the following historical results:

- PFGH and PFMH
    - FY21 to FY23 unaudited management accounts (on a standalone basis, noting the results form part of the Group's audited consolidated annual financial statements), and
    - Year to date (**YTD**) unaudited management accounts to June 2024.
- Group
    - FY21 to FY23 audited financial statements, and
    - Year to date (**YTD**) unaudited management accounts to June 2024.

6.1. Company's financial performance/Profit and Loss

6.1.1. Group

Key Comments

- The Group was loss-making since FY22 when it posted a loss of c.$30.3m before tax, largely attributable to significant impairments of $39.8m and $17.5m in FY22 and FY23 respectively, as a result of poor collection performance affecting forecast collection expectations.
- The Group was capital constrained with limited ability to acquire new PDLs or invest and was therefore effectively winding down its asset base to meet operational costs and service its debt obligation to Brookfield.
- Employee expenses represent the greatest cost driver for debt collections and management businesses. We understand employee expenses increased during FY22 and FY23 due to a combination of (i) wage inflation and (ii) headcount increases. Employee expenses declined in FY24 following a headcount rationalisation of c.200 employees between January and May 2024.

The Group's financial performance (Profit and Loss) for four fiscal years is summarised below:

Table 11 – Group's Profit and Loss

Profit & Loss - Group

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
PDL revenue net of amortisation		82,062	64,168	39,970	29,825
Gedda Revenue		3,676	7,666	13,762	14,016
Contingent and other revenue		12,946	11,819	9,708	8,515
PDL Impairment		(19,198)	(39,802)	(17,515)	(7,045)
Gross Profit	*1*	**79,559**	**43,927**	**46,207**	**45,804**
Other income	*2*	6,369	101	110	70
Expenses					
Collection expenses	*3*	(6,099)	(8,257)	(9,027)	(9,088)
Employee expenses	*4*	(30,799)	(31,731)	(33,897)	(29,263)
Finance costs	*5*	(15,018)	(17,367)	(22,014)	(33,884)
Depreciation and amortisation expense		(2,576)	(2,880)	(2,658)	(2,348)
Other operating expenses	*6*	(6,793)	(12,062)	(10,005)	(11,082)
Property expenses		(921)	(606)	(121)	(874)
Technology expenses		(1,352)	(1,439)	(1,811)	(1,355)
Loss before income tax benefit		**22,368**	**(30,314)**	**(33,216)**	**(42,021)**
Income tax expense	*7*	(6,118)	9,191	7,634	(1,765)
NPAT		**16,251**	**(21,124)**	**(25,583)**	**(43,786)**

KPIs				
As % of gross profit				
Collection expenses	7.7%	18.8%	19.5%	19.8%
Employee expenses	38.7%	72.2%	73.4%	63.9%
Finance costs	18.9%	39.5%	47.6%	74.0%
Depreciation and amortisation expense	3.2%	6.6%	5.8%	5.1%
Other operating expenses	8.5%	27.5%	21.7%	24.2%
Property expenses	1.2%	1.4%	0.3%	1.9%
Technology expenses	1.7%	3.3%	3.9%	3.0%
Net Profit%	20.4%	(48.1%)	(55.4%)	(95.6%)

Notes

1) The Group, as shown in the diagram at Section 4.2, operated across the following three key revenue streams:

   a) PDL collections: Panthera Finance was the main operating entity associated with purchased debt ledgers (**PDL**) which are the most significant part of the Group's operations making up 81% of revenue in FY23. Purchased debt from a range of sectors including banks, phone and internet providers, power companies and other credit providers. PDL are categorised as either (i) Banking and Finance (**B+F**) or (ii) General, made up of accounts with telecommunication and utility providers.

   PDL revenue is presented net of (i) amortisation and (ii) impairment, both of which can be viewed as a 'cost of revenue'.

   b) Consumer finance: United Finance Group, rebranded as Gedda Loans (**Gedda**) previously provided secured loans primarily to the second-hand car market. Following a failed securitisation process, Gedda ceased loan origination in November 2023 and effectively entered into "wind down" with the loans being progressively collected. Prior to ceasing loan origination Gedda made up 11% of revenue in FY23.

c) Contingent collections: Involves the collection of debt ledgers on a contingent basis (i.e. on behalf of organisations and government agencies), making up 8% of revenue in FY23.

Actual PDL collections were significantly below expectations between FY21 and FY23 and impairments of c.$39.8m and c.$17.5m were recognised in FY22 and FY23 (or 17.7% and 10.0% of the carrying value of the PDL book pre-impairment, respectively). We understand there was limited material investment in PDLs from 2022.

Whilst revenue remained steady from FY22 onwards, Management has advised that revenue results were further impacted by:

a) Lack of forward flow arrangements for PDLs (whereby vendors provided a commitment to provide ongoing tranches of debt files to Panthera finance that meet certain criteria),

b) 'Wind down' of Gedda, which commenced during FY24, and

c) The loss of two major ARL customer contracts during FY23 and general staff shortages.

2) FY21 Other income primarily relates to JobKeeper subsidies of c.$6.1m granted due to COVID-19.

3) Collection expenses comprise legal file and compliance fees, outreach (telecommunications, postage, field services etc.), information and data washing, and other collection costs. Management advised that collection expenses trended upwards year-on-year due to (i) the implementation of new collection technology (ii) changes in telecommunications service providers and (iii) an increase in accounts being referred to legal.

4) Employee expenses represented the greatest cost driver for the Group. We understand employee expenses increased during FY22 and FY23 due to a combination of (i) wage inflation and (ii) headcount increases. Employee expenses declined in FY24 following a headcount rationalisation of c.200 employees between January and May 2024.

5) Finance costs comprised interest expense and borrowing costs. The Group's interest expense increased between FY21 and FY24 on account of (i) increases in interest rates applied to the Group's secured debt and (ii) the Group refinancing its's incumbent facilities in October 2022 with Brookfield. Finance costs increased in FY24 due to imposition of exit fees by Brookfield following early repayments.

6) Other operating expenses primarily relates to depreciation and amortisation, bank charges and merchant fees, consultants and bad debts and write-offs. Other operating expenses increased in FY22 due to (i) restructuring costs and write offs in ARL (c.c$2.2m) and M&A related costs for failed sale processes (c.$1.8m). Between FY22 and FY24, bad debts and write-offs in respect of Gedda loans increased significantly. We are advised (i) bad debts were calculated as 5% of the overall loan balance, which increased between FY22 and FY24 as the overall loans receivable balance increased and (ii) write-offs increased based on assessments of the actual underlying loan data.

7) We note the FY24 results reflect the Group's unaudited management accounts to June 2024 and no adjustments for income tax have been made as at the date of this Report.

6.1.2. PF Group Holdings Pty Ltd

Key Comments

- PFGH is a holding company and acts as the TopCo of the Group. PFGH does not conduct any of the Group's operational trading and therefore does not derive revenue from operational trading. PFGH's purpose is to control and manage the companies in which it holds equity stakes (i.e. the Panthera Finance, ARL and Gedda related entities, via PFMH). Refer to Section 4.2 for further information regarding the Group's structure.

PFGH's financial performance (Profit and Loss) for the four fiscal years is summarised below:

Table 12 – PFGH's Profit and Loss

Profit & Loss - PFGH

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
Gross Profit		-	-	-	-
Other income	*1*	17,282	-	-	20,121
Expenses					
Collection expenses		-	-	(2)	(8)
Employee expenses	*2*	-	(1,658)	(966)	(0)
Finance costs	*3*	(11,232)	(12,553)	(4,160)	-
Other operating expenses	*4*	(1,282)	(1,175)	(529)	(1,170)
Technology expenses		-	-	(0)	-
Loss before income tax benefit		**4,768**	**(15,386)**	**(5,658)**	**18,943**
Income tax expense		4,516	4,615	298	(799)
NPAT		**9,284**	**(10,771)**	**(5,360)**	**18,144**

Notes

1) Management advised that other income in FY21 and FY24 relates to intercompany dividends received. Several accounting entries occurred in the lead up to the dividend payments in FY21 and FY24 to shareholders of PFGH to ensure there were sufficient retained earnings available in PFGH for payment of a dividend. Refer to Section 7.5 for further details in respect of dividends paid to shareholders.
2) We are advised costs relating to certain employees (predominantly Senior Management) were transferred to PFGH as the TopCo from other operating subsidiaries for reporting purposes in FY22 and FY23.
3) Comprises interest expense and borrowing costs relating to the Groups loan facilities at the time which were provided by CPE Capital, formerly known as CHAMP Private Equity ("CHAMP").
4) Other operating expenses primarily relate to additional fees paid to CHAMP in respect of the facility, legal fees, costs of external consultants and insurance. Other operating expenses increased in FY24 due to (i) increased costs in insurance and (ii) an increase in legal and consultant fees as the Group prepared for a sale process in H2 FY24, which ultimately failed, and external advice prior to entering Voluntary Administration.

6.1.3. PF Management Holdings Pty Ltd

Key Comments

- PFMH is the immediate HoldCo of the Group's operating subsidiaries. Like PFGH, PFMH does not conduct any of the Group's operational trading and therefore does not derive operational trading revenue. PFMH's purpose is to control and manage the companies in which it holds equity stakes (i.e. the Panthera Finance, ARL and Gedda related entities). Refer to Section 4 for further information regarding the Group's structure.

PFMH's financial performance (Profit and Loss) for the four fiscal years ended 30 June 2024 is summarised below:

Table 13 – PFMH's Profit and Loss

Profit & Loss - PFMH

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
Gross Profit		-	-	-	-
Other income	*1*	14,838	-	-	33,013
Expenses					
Employee expenses	*2*	-	-	(550)	-
Finance costs	*3*	-	-	(15,839)	(33,578)
Other operating expenses		(1)	(1)	0	(162)
Loss before income tax benefit		**14,837**	**(1)**	**(16,389)**	**(727)**
Income tax expense		0	0	4,917	(4,123)
NPAT		**14,838**	**(1)**	**(11,472)**	**(4,851)**

Notes

1) Management has advised that other income in FY21 and FY24 relates to management fees charged to the Group's operating subsidiaries in order to facilitate the payment of a dividend to the shareholders of PFGH. As set out at Section 7.5, several accounting entries occurred in the lead up to the dividend payments in FY21 and FY24 to

shareholders of PFGH to ensure there were sufficient retained earnings available in PFGH for payment of a dividend.

2) Relates to bonuses paid to certain employees following the successful refinancing of the Group's facilities during FY23.

3) Comprises interest expense and borrowing costs relating to the Brookfield facility. In October 2022, Brookfield refinanced the Group's incumbent facilities, providing the group (via PFMH as the primary borrower) an interest only bullet loan of $150.0m. Prior to October 2022, the Group's primary facility was a syndicated facility with CBA and Westpac, with Panthera Finance Pty Ltd as the primary borrower. The Group (via PFGH as the primary borrower) had an additional facility with CHAMP.

4) We note the FY24 results reflect PFMH's unaudited management accounts to June 2024 and no adjustments for income tax have been made as at the date of this Report.

6.2. Company's financial position/Balance Sheet

6.2.1. Group

The Group's financial position (Balance Sheet) for the four fiscal years ended 30 June 2024 is summarised below:

Key Comments

1) The Groups financial position has deteriorated since June 2021 with net assets reducing from $126.7m to $24.2m at June 2024. This was primarily driven by reduction in value of PDL as a result of impairment of PDL's held and purchases of new PDL's falling behind replacement levels. Further detail is provided in Section 6.

Table 14 – Group's Balance Sheet

Balance Sheet - Group

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
Cash and cash equivalents	*1*	53,536	12,943	16,865	17,374
Trade and other receivables	*2*	5,497	3,249	2,446	2,463
Income tax refund due		-	2,496	16	7
Loans receivable	*3*	(735)	(2,933)	20,819	10,901
Purchased debt ledgers	*4*	39,771	51,234	76,031	42,994
Other assets		2,208	2,377	1,477	519
Current assets		**100,277**	**69,367**	**117,653**	**74,258**
Property, plant and equipment		1,058	517	211	102
Right-of-use assets		7,018	5,373	9,410	6,736
Intangibles	*5*	2,540	2,457	1,815	764
Deferred tax		-	-	833	(934)
Loans receivable	*6*	14,162	37,938	25,707	27,668
Purchased debt ledgers	*7*	173,940	134,057	81,253	60,657
Intercompany Loans		0	(1)	0	0
Non-current assets		**198,718**	**180,343**	**119,229**	**94,992**
Assets		**298,995**	**249,710**	**236,882**	**169,250**
Trade and other payables	*8*	(8,919)	(10,308)	(10,154)	(6,394)
Borrowings	*9*	(235)	(128,006)	(4,258)	(129,079)
Lease liabilities		(1,711)	(2,007)	(1,953)	(1,709)
Employee benefits		(2,060)	(2,290)	(2,077)	(1,715)
Income tax		(2,509)	-	-	-
Current liabilities		**(15,433)**	**(142,611)**	**(18,441)**	**(138,896)**
Borrowings		(132,154)	-	(139,893)	-
Lease liability	*10*	(6,581)	(4,450)	(8,169)	(5,746)
Deferred tax		(17,886)	(6,816)	-	-
Employee benefits		(240)	(419)	(528)	(418)
Non-current liabilities		**(156,862)**	**(11,685)**	**(148,590)**	**(6,164)**
Liabilities		**(172,295)**	**(154,296)**	**(167,031)**	**(145,060)**
Net assets		**126,700**	**95,414**	**69,851**	**24,190**
Issued capital		2,500	6,500	6,500	6,500
Reserves		3,308	(472)	(452)	(445)
Retained earnings		121,089	89,735	64,252	18,584
Minority Interest		(197)	(350)	(450)	(450)
Equity		**126,700**	**95,414**	**69,851**	**24,190**
Debt to Equity Ratio		1.0	1.3	2.1	5.3

Notes

1) Cash and cash equivalents of the Group includes restricted cash relating to funds held on trust, term deposits required for lease securities and clearing accounts. Management has advised that the cash balance fluctuated over the period due to PDL asset sales, in preparation for large PDL acquisitions and at times when equity was injected most recently being $2m paid by each of the shareholders ($4m combined) in April 2022.

2) Trade and other receivables mainly relate to invoiced collection fees by the ARL business and decreased over the period as a result of declining business and through a focused process to pursue outstanding commissions.

3) Loans receivable relates to the portion of the Gedda loan book to be received in the next 12 months net of provisions for amounts expected to not be receivable, calculated as approximately 5% of loan book. The increase in FY23 relates to the re-classification of the current portion of the book from non-current.

4) Purchase debt ledgers are the book value of the PDLs assessed annually for impairment. The value moved regularly as a result of purchasing and selling books. The value decreased materially over the period because of the sale of the CBA book ($25.6m) and also because of a reduction in purchases and various impairment charges.

5) Intangibles relates to the development of the PayQuest and BillChaser systems. PayQuest is an internally developed customer relationship management tool designed to provide collectors with the information needed to monitor, process and manage accounts and used by management to review data on performance. BillChaser is an automated collections platform designed for small to medium businesses to assist in collection debts through

sending customers emails and SMS messages, as well as being given access to an easy, secure online way to manage and pay their debt.

6) Loans receivable relate to Gedda loans. The decrease in FY23 relates to the reclassification of a portion of the book to current as detailed above in note 3.

7) Non-current Purchase debt ledgers relate to the portion of the PDLs classified as non-current.

8) Trade and other payables largely consist of funds held on trust and periodically remitted to ARL clients, unreconciled PDL receipts, accrued expense, payroll and trade payables. The movements relate to higher trust liabilities, accruals, and provisions in FY22 and FY23

9) In FY21 and FY23 the current borrowings represented interest payable on borrowings. In FY22 the Syndicated facility for $61.8m and CHAMP loan note for $66.2m were classified as current. In FY24 the balance related to the Brookfield principal and interest.

10) Lease liabilities are for the various office and PPE leases held by the group accounted for under AASB16 in line with generally accepted accounting principles.

6.2.2. PF Group Holdings Pty Ltd

PFGH financial position (Balance Sheet) for the four fiscal years ended 30 June 2024 is summarised below:

Table 15 – PFGH's Balance Sheet

Balance Sheet - PFGH

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
Income tax refund due	*1*	-	8,669	(2,475)	7
Other assets	*2*	-	60	217	135
Current assets		**-**	**8,729**	**(2,258)**	**141**
Intangibles		0	0	0	0
Deferred tax		-	-	3,291	17
Intercompany loans	*3*	71,148	51,025	(12,525)	5,475
Non-current assets		**71,148**	**51,025**	**(9,234)**	**5,492**
Assets		**71,148**	**59,754**	**(11,493)**	**5,634**
Trade and other payables	*4*	(404)	(338)	(112)	(94)
Borrowings	*5*	(235)	(66,176)	-	-
Income tax		(2,751)	-	-	-
Current liabilities		**(3,389)**	**(66,514)**	**(112)**	**(94)**
Borrowings		(53,185)	-	-	-
Deferred tax		73	516	-	-
Non-current liabilities		**(53,111)**	**516**	**-**	**-**
Liabilities		**(56,500)**	**(65,998)**	**(112)**	**(94)**
Net assets		**14,648**	**(6,245)**	**(11,605)**	**5,539**
Issued capital		2,500	6,500	6,500	6,500
Reserves		3,738	-	-	-
Retained earnings		8,409	(12,745)	(18,105)	(961)
Equity		**14,648**	**(6,245)**	**(11,605)**	**5,539**

Notes

As set out at Section 4, PFGH acts as the TopCo of the Group and does not conduct any of the Group's operational trading. PFGH was the primary borrower of the Group's Loan facility in June 2021 until the refinance of the Group by the Secured Creditor in October 2022. As at the date of our appointment, the assets and liabilities of PFGH mainly consisted of intercompany loans. Refer to Section 4 for further information regarding the Group's structure.

1. A subsequent review of legacy tax accounting of the Group by Administrators identified a tax asset of $4.6m relating to Income tax in PFGH which was realised in December 2024.

1. Other assets relate to pre-paid insurance for the Group.

2) Due to the Group's loan facilities moving from PFGH to PFMH in FY23, PFGH's intercompany loan position moved from a $51.0m asset to a $12.5m liability. This follows accounting for the receivable from PFMH in June 2022

becoming a $63m loan payable, note that this loan payable to PFMH was offset by a $50.5m loan receivable from ULS Pty Ltd (Gedda).

2. Trade and other payables accruals for accounts payable in FY24, consistent with the balances in prior years. In FY21 and FY22 there are balances for dividends payable of $300k and $200k respectively.
3. Borrowings relate to Loan facilities held in PFGH in June 2021 and June 2022 with CHAMP.

6.2.3. PF Management Holdings Pty Ltd

PFMH financial position (Balance Sheet) for the four fiscal years ended 30 June 2024 is summarised below:

Table 16 – PFMH's Balance Sheet

Balance Sheet - PFMH

AUD in 000s	Notes	Jun-21	Jun-22	Jun-23	Jun-24
Income tax refund due		-	-	4,880	-
Other assets		-	-	12	15
Current assets		**-**	**-**	**4,892**	**15**
Investment in Subsidiaries		500	500	500	500
Deferred tax		-	-	37	863
Intercompany loans	*1*	(571)	(572)	127,179	91,186
Non-current assets		**(71)**	**(72)**	**127,715**	**92,549**
Assets		**(71)**	**(72)**	**132,607**	**92,563**
Borrowings	*1*	-	-	(4,258)	(129,079)
Current liabilities		**-**	**-**	**(4,258)**	**(129,079)**
Borrowings	*1*	-	-	(139,893)	-
Deferred tax		(0)	(0)	-	-
Non-current liabilities		**(0)**	**(0)**	**(139,893)**	**-**
Liabilities		**(0)**	**(0)**	**(144,151)**	**(129,079)**
Net assets		**(71)**	**(72)**	**(11,544)**	**(36,516)**
Issued capital		0	0	0	0
Retained earnings		(71)	(72)	(11,544)	(36,516)
Equity		**(71)**	**(72)**	**(11,544)**	**(36,516)**

Notes

1. In October 2022, Brookfield refinanced the Group's incumbent facilities, providing the group (via PFMH as the primary borrower) an interest only bullet loan of $150m. The refinance created an offsetting intercompany receivable assets in the balance sheet of PFMH from PFGH and PFMG.

6.3. Directors' Report on Company Activities and Property (ROCAP)

A company director must provide an administrator with a ROCAP outlining the company's business, property, affairs and financial circumstances at the appointment date. The ROCAP should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

The Directors have provided us ROCAPs in accordance with their responsibilities under the Act:

- The details of the ROCAP received from Mathew David Hough (**Mr Mathew Hough**) are set out below.
- Jamie Grant Hough (**Mr Jamie Hough**) submitted Part A of the ROCAP but did not complete or provide supporting tables of Assets and Liabilities and directed the Administrators to Frank Terranova for further information.

6.3.1. Mr Mathew Hough's ROCAP

Detailed below is the information provided in the ROCAP provided by Mr Mathew.

Table 17 - Mr Mathew Hough's ROCAP

		Mr Mathew Hough's ROCAP			
		PF Group Holdings Pty Ltd		PF Management Holdings Pty Ltd	
	Notes	ROCAP Value $'000	Realisable Value $'000	ROCAP value $'000	Realisable Value $'000
Assets:					
Cash at bank	*1*	Not disclosed	-	Not disclosed	-
Prepayments	*2*	151	-	18	-
Investment in shares	*3*	Not disclosed	-	Not disclosed	113,387
Intercompany loans	*4*	(5,552)	-	(91,186)	11,971
Tax refund	*5*	Not disclosed	4,824	Not disclosed	-
Assets Sub-Total		**(5,401)**	**4,824**	**(91,168)**	**124,358**
Less creditor claims:					
Secured creditors	*6*	Not disclosed	(132,897)	(125.275)	(132,897)
ATO	*7*	Not disclosed	-	(485)	-
Trade Creditors	*7*	(16)	(1)	Not disclosed	(1)
Accounts payable	*7*	(82)	-	Not disclosed	-
JH Dividend payable	*7*	(2)	-	Not disclosed	-
Current Tax Liability	7	(48)	-	Not disclosed	-
Non-current Tax Liability	7	(12)	-	Not disclosed	-
Related parties	8	Not disclosed	(44,273)	Not disclosed	-
Total Liabilities		**(5,712)**	**(177,170)**	**(216,946)**	**(128,852)**
Surplus/(Deficiency) to creditors		**(5,561)**	**(172,346)**	**(216,928)**	**(8,539)**

Notes

1) The ROCAP did not disclose any information in relation to the amount of cash at bank held. We note that neither of the Companies held bank accounts at our appointment date.

2) Prepayments were the only assets disclosed in the ROCAPs provided. PFGH's insurance amount to approximately $151k, while deposits and other prepayments for PFMH total approximately $18k.

3) The ROCAP did not disclose information on the ownership United Finance Group Pty Ltd and PF Management Group Pty Ltd (PFMG). The investments in shares held by PFMH were sold for $113.4m as detailed in Section 5.2.

4) Intercompany loans receivable was incorrectly disclosed as creditors in the ROCAP. Recoveries of these loans totalling c.$12m were made from the trading Subsidiaries during the administration.

5) Tax refund in the amount of $4.8m recovered as detailed in Section 5.2

6) Secured creditors disclosed relate to Brookfield's principal of $121.3m and "redemption premium" of $4m relating to the make whole on early repayments under the consent letter. The value of the Secured Credito's claims is $128.9m as detailed in Section 4.5.1.

7) Other creditors listed were accrued on the PFGH balance sheet in the May balance sheet and were mostly paid prior to appointment.

8) Related party claims relate to the intercompany loan from PFMH to PFGH and claims received from the Directors.

ROCAP figures may differ from actual realisable values as:

- net book values are based on historical financial records
- asset values are not market tested
- creditor claims are not yet adjudicated upon and quantified.

7. Investigations

Key Comments

Our investigations have been conducted in relation to PFGH and PFMH individually, but also at a PFGH consolidated level, due to:

- the Companies' reliance on loans payable by the wider Group to meet their obligations, and;
- the Deed of Cross Guarantee (DXG) that was in place between the Australian domiciled entities.

We summarise our preliminary findings below:

- The Group suffered significant trading losses in FY22 ($21.1m), FY23 ($25.6m) and YTD FY24 ($43.8m). These losses eroded the Group's ability to meet its covenants and obligations to the Secured Lender.
- The Companies and the Group met their obligations to the Secured Lender under its loan until shortly before the appointment of Administrators. A breach of covenants by the Group triggered the Secured Lender to withdraw its support for the Companies and issue a demand for repayment of its loans in full on 24 June 2024 (payable within 24 hours).
- When the secured debt was not repaid, the Secured Lender appointed Voluntary Administrators pursuant to s436C of the Act on 26 June 2024. It is the Administrators' preliminary view that the Companies were insolvent once the Secured Lender withdrew its support and issued the letter of demand. Repayments due to the secured lender were met up until the issue of the demand by the Secured Lender.
- Assuming a date of insolvency coinciding with the issue of the letter of demand by the Secured Lender, the appointment of Administrators occurred shortly after the Companies became insolvent. As a result, it is our preliminary view that it is unlikely that any insolvent trading occurred in respect of the Companies. If further investigations reveal that the Secured Lender withdrew support earlier, or there were no prospects of the Companies ever being in a position to repay the Secured Lender, it is possible that an earlier date of insolvency may be identified.

Our investigations have considered the records and circumstances specific to PFGH and PFMH, but also available records and circumstances of the consolidated PFGH Group. We have taken this approach because:

- PFMH was the primary borrower for the Group's secured debt at the date of our appointment. PFMH's main assets are loan accounts owed by PFGH and PFMG. PFMH relied on repayment of these loans to meet its liabilities.
- Repayment of PFMG's loan to PFMH was ultimately reliant on the Panthera Finance business to generate funds to repay.
- PFGH's main outstanding debt was owed by ULS prior to it being released post execution of sale of Gedda. PFGH was ultimately reliant on the Gedda business to generate funds to repay its loan from PFMH.
- The Group's Australian domiciled entities were party to a Deed of Cross guarantee (excluding the New Zealand based entities). As noted above in Section 3.1, the Companies and the trading obligors that were sold to Francom and Gamma Duo have mutually released each other from the Deed of Cross Guarantee.

We have conducted investigations into the reasons for the failure based on information obtained from:

- books and records, including board reports;
- accounting and database information systems used within the business;
- directors, officers, Management and key staff members (where available);
- external professional reports, including audit reports; and
- publicly available information.

Sections 6.1, 6.2 and 6.3 of this Report provide commentary as to the financial issues faced by the Companies and the Group, which contributed to the Companies' failure.

7.1. Director's explanation for the Companies' difficulties

Jamie Hough attributes the Companies' difficulties to:

- Losses and increasing debt gearing due to entities within the Group purchasing PDL's at high prices.
- Conflict between the Directors, impeding the proper functioning of the Companies.

Mathew Hough has indicated to us that he is not fully aware of the reasons for the difficulties experienced by the Group, as has had a limited role with the Group since 2022. He has indicated that:

- His employment with the Group ended in July 2022.
- He has continued as a non-executive director since that time, but because of conflict between the directors has had difficulty obtaining information about the Group and been unable to properly carry out his role as a director.

Mathew Hough has advised us that he understands the following issues have contributed to the Companies' difficulties:

- Mismanagement and board dysfunction.
- The failed Gedda Securitisation, which management pursued in FY24.
- Underperformance on PDL collections by the Group.

7.2. Administrators' opinion for the Companies' difficulties

In the Administrators' view, the apparent withdrawal of support by the Secured Lender gave rise to the insolvency of the Companies and the subsequent appointment of Administrators. The withdrawal of support and acceleration of the Secured Lender's debt was caused by a breach of financial covenants.

Covenant compliance was reported to the Secured Lender quarterly for the following financial covenants agreed under a Loan note subscription agreement dated 4 October 2022:

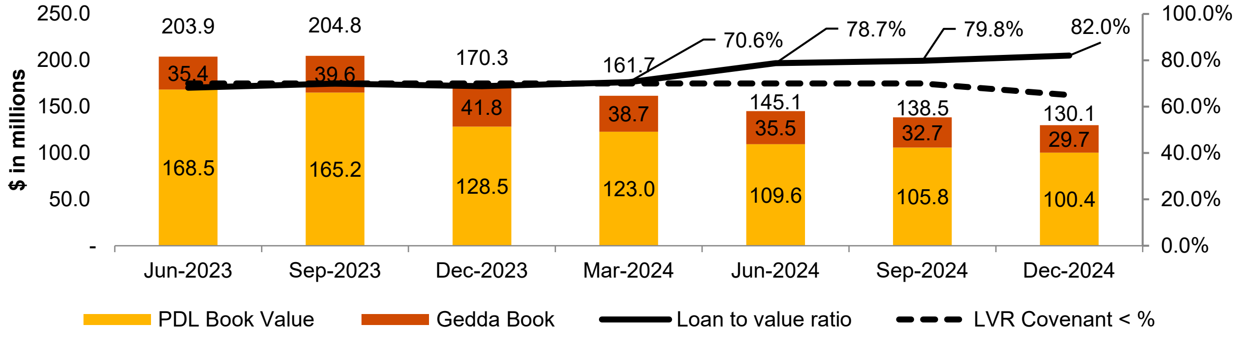
a) Loan to Value Ratio (LVR) is calculated as the total financial debt minus unrestricted cash, divided by the net book value of all receivable assets, which includes PDLs and loans receivable. Starting in December 2024, the LVR limit of 70% was due to decrease incrementally by 5% each year.

b) Interest coverage ratio (ICR) is calculated as cash EBITDA for the prior 12 months over the net interest expense for the group for the last 12 months. The ICR threshold increased from 3.5 to 4 in December 2023, further increasing incrementally by 0.5 each year.

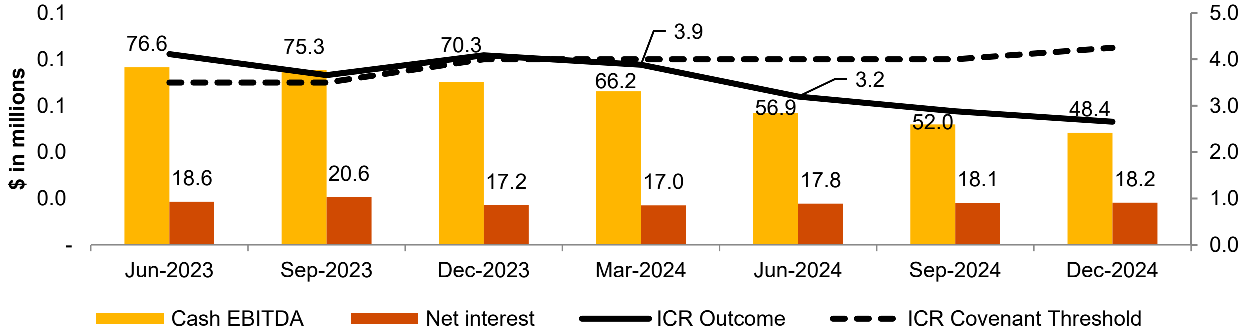
c) Guarantor coverage test requires cash EBITDA and assets of the Guarantors under the LNSA to represent at least 95% of the totals for the Group.

The Group met the covenants for reporting periods up to and including 31 December 2023. For the period ended 31 March 2024 the Group reported an LVR of 70.6%, exceeding the maximum threshold of 70% and an ICR of 3.88 times, below the minimum requirement of 4.0 times. As illustrated below, based on Management's covenant forecast the Group was expected to continue to breach covenants in the future.

Loan to value ratio



Interest cover ratio



The deterioration in the Group's ability to meet covenants arose after issues with the collectability of PDL's which resulted in PDL impairments, and the losses incurred in FY22 and FY23. The poor collections performance contributed to a lower Cash EBITDA and the resulting impairment of PDLs had a substantial impact on the book value of receivable assets contributing to the breach of ICR and LVR covenants.

These issues with collections impacted the Subsidiaries' ability to generate sufficient funds to purchase the volume of PDLs required to grow or maintain the value of receivable assets. As a result, the Group was effectively in wind down from June 2023 leading to the sale of the CBA book and execution of the Consent Letter in December 2023.

Further, the level of secured debt owed by the Group had increased significantly over recent years, which we understand was in part due to the costs of payout of both debt and equity warrants in favour of CHAMP.

In summary, the poor financial performance of the Companies, and their ability to collect loans from the Subsidiaries within the wider Group was indicated by:

- the dysfunction in management of the business resulting from conflict between the Directors;
- impairment of PDL's and the resulting trading losses of the Group;
- the inability of the Group to fund or securitise the Gedda loans business and the subsequent cessation of loan origination by that business in November 2023; and
- issues with debt funding to the business, including the increased debt levels resulting from the payout of CHAMP, breaches of covenants and the Consent Letter agreed with the Secured Lender restricting the Group's ability to purchase or sell PDL's in December 2023.

In the Administrators' opinion the Group's strategy contributed to the Companies' failure, including:

- increasingly competitive environment resulting in the Group, at times, adopting higher pricing to acquire PDL's;
- being unable to secure the necessary finance to adequately fund the Gedda business; and
- certain collection practices which resulted in regulatory issues including a fine of $500k from the ACCC.

Finally, it is the Administrators' opinion that the Group's failure was contributed to by external factors including at least:

- increased competition and constrained supply of debtor ledgers resulting in increased pricing of debtor books; and
- the impacts of Covid-19 on normal collection activity, including periods when collection activity ceased;
- low delinquency rates impacting PDL supply during the pandemic; and
- increasing interest rates on debt facilities.

7.3. Steps taken prior to Appointment

We are advised that the Group took several steps prior to appointment of the Administrators to improve the financial performance and position of the Group. These steps were taken pursuant to a safe harbour plan prepared for the Group by Deloitte in mid to late 2023. We have not reviewed the safe harbour plan.

1. PDL purchases only made at profitable prices: Management indicated that the Group took steps to ensure that from 2023, PDL's were only purchased at prices that would be profitable to the Group.
2. Pursuit of a sale of business: The Group pursued opportunities to sell the business (or parts thereof) and PDL's to repay debt to the Secured Lender. Grant Samuel was appointed to conduct a sale of business process in or around February 2024, this process failed to find a buyer.
3. Wind down of the Gedda Loans business: After the failed securitisation of the Gedda Loans Business, steps were taken to wind this business down. Loan originations ceased in November 2023 and 26 employees who were part of this business were made redundant between November 2023 and March 2024.
4. Pursuit of asset sales to deleverage the Group: The Group negotiated a sale of all PDLs associated with the Commonwealth Bank of Australia to another debt collection group for c.$25m. To facilitate the completion of the sale, the Group entered a Consent Letter with the Secured Lender which contained additional terms for the Group including a requirement for the Group to obtain the Secured Lender's consent before acquiring or disposing assets (including PDL's). In December 2023, the Group completed the sale and made a $25m repayment to the Secured Lender.
5. Cost reductions: Between January 2024 and May 2024, the Group made approximately 140 employees from its core PDL collection business redundant (most of whom were employees of Panthera Finance Pty Ltd). We understand this equated to an annualised cost reduction of c.$10m.
6. Wind down of PDL portfolio: The Consent Letter signed in December 2023 meant the Group had effectively agreed to wind down its PDL portfolio, historically the most financially significant part of the Group's business.

7.4. Regulatory Issues

The Subsidiaries have been subject to regulatory issues that had an impact on the Group's operations:

- The ACCC took court action against Panthera Finance Pty Ltd in July 2019. In March 2020, the Federal Court ordered that Panthera Finance Pty Ltd pay $500,000 in penalties for, in effect, unduly harassing three consumers over debts they did not owe and for misleading conduct in relation to one of the three consumers. Panthera Finance Pty Ltd was also ordered by the Court to pay $100,000 as a contribution to the ACCC's legal costs, and entities within the Group were banned from operating in Victoria.
- We understand that in January 2024 the Group self-reported to Consumer Affairs Victoria regarding potential breaches of Victorian law, which related to the Group's ability to operate in Victoria after the findings in the ACCC matter detailed above. In July 2024, Consumer Affairs Victoria announced it was taking legal action against Panthera Finance Pty Ltd alleging it breached Victorian fair-trading laws by engaging in debt collection in Victoria when prohibited to do so.

7.5. Dividends to Shareholders

PFGH's accounting records indicate the following dividends were declared and paid to shareholders and equity contributions received from the shareholders:

Table 18 – Dividends to shareholders

Year ending $'000	Dividends Declared	Total Dividends Paid	Equity Contribution
30 June 2020	8,000	7,651	-
30 June 2021	6,000	6,000	-
30 June 2022	-	6,000	4,000
30 June 2023	-	-	-
30 June 2024	1,000	1,000	-

Source: FY21, FY22 & FY23 PFGH Group consolidated financial reports and 31 May 2024 balance sheet extracts from the Group's accounting system

7.5.1. Dividends paid during the year ending 30 June 2024

PFGH's accounting records indicate that the most recent dividend of $1m was declared and paid equally between the two shareholders on 29 August 2023.Our investigations regarding this transaction indicate that:

- Payment of the dividends was made to the shareholders of PFGH by Panthera Finance Pty Ltd
- Corresponding entries were made to downstream loan accounts to reduce the loans owed by:
    - Panthera Finance Pty Ltd to PF Australia Pty Ltd;
    - PF Australia Pty Ltd to PFMG;
    - PFMG to PFMH; and
    - PFMH to PFGH.

Several accounting entries occurred in the lead up to the most recent dividend to shareholders of PFGH to ensure there were sufficient retained earnings available in PFMH and PFGH for payment of a dividend:

- In July 2023, a dividend of $33m was recorded as revenue received by PFMH from PFMG. Cash payment of the dividend was never made, and instead a reduction in the loan account owed by PFMG to PFMH was recorded.
- In July 2023, a dividend of $20.1m was recorded as revenue received by PFGH from PFMH. Cash payment of the dividend was never made, and instead a reduction in the loan account owed by PFMH to PFGH was recorded.

At the end of July 2023:

- the net retained earnings position on the balance sheet of PFMH was zero (i.e. the receipt of the dividend of $33m was sufficient to declare the dividend of $20m to PFGH and maintain a zero-equity position in PFMH).
- the net retained earnings position on the balance sheet of PFGH was $8.5m. This positive retained earnings position was sufficient to meet the dividend payment of $1m to the shareholders of PFGH in August 2023

The consolidated financial statements of PFGH on 30 June 2023 indicate the consolidated group held retained profits of $64m. The transactions detailed above indicate that the dividend payments were made from the retained profits of the Group. Management has advised that the most recent dividend was approved by the Secured Creditor.

We don't consider there would be any actions available to a liquidator to set-aside this dividend on the basis it was paid from retained earnings from available cash and there does not appear to have been any prejudice to creditors at the time the dividend was declared, noting we don't consider the Companies were likely to have been insolvent until immediately prior to our appointment.

7.5.2. Dividends paid during the year ending 30 June 2022

During FY22 our investigations reveal two tranches of dividends was paid as follows:

- $2m dividend was paid on 1 July 2021 to the shareholders of PFGH in equal amounts
- $4m dividend was paid on 22 October 2022 to the shareholders of PFGH in equal amounts

Our investigations reveal that funds of $4m were repaid by the shareholders of PFGH during FY22 following agreement with one of the previous secured lenders.

We do not consider there would be any actions available to a liquidator to set-aside this dividend on the basis it was paid from retained earnings from available cash and there does not appear to have been any prejudice to creditors at the time the dividend was declared noting we don't consider the Companies were likely to have been insolvent until immediately prior to our appointment.

7.6. Disputes between Directors

During the administration, we have been in correspondence with Jamie Hough and Mathew Hough (each a director of the Companies and shareholder of PFGH), in relation to alleged claims they have asserted against the other. We understand that some of these alleged claims involve either or both Companies as a party.

We understand that Mathew Hough has alleged mismanagement leading to a deterioration in the financial and operational performance of the Panthera Group (from about the time that Mathew resigned from management). Mathew and his solicitors provided material in support of his claims for our review. Upon a preliminary assessment, these claims appear to largely constitute shareholder claims between the Directors (rather than claims that should be brought by PFGH and/or PFMH).

Jamie Hough alleges that Mathew Hough caused "the Panthera Group" to purchase PDLs at multiples below the range approved in his delegation by the board of PFGH. It is alleged that the result of this was a loss suffered by Panthera Finance Pty Ltd and United Loan Solutions Pty Ltd in the estimated value of $157m. Based on a preliminary assessment, it is unclear whether this claim concerns either of PMGH or PFMH (i.e. potentially the claim is properly a claim of Panthera Finance and/or United Loan Solutions.

It should be noted that both Jamie and Mathew strongly deny the various allegations or claims against one another. In order to establish whether the Companies' have claims against either or both of the Directors, further significant investigations would need to be conducted, including public examinations and forensic accounting of available financial records, to obtain significantly further detail to determine the merits and prove any losses suffered by the Companies. Further details on the Directors' financial position are set out in Section 8.5, based on our investigations it is not evident that either of the Directors are able to satisfy any judgement in favour of the Companies. We are aware that a director and officer insurance policy (D&O Policy) exists however despite a number of formal requests we have made (including via our insurance brokers) we have not been able to obtain a copy of the insurance policy to determine whether or not the insurance policy might respond to potential claims. Further information is set out in Section 8.4.

In the case the claims are available to PFGH and/or PFMH, we consider they would likely be subject to the security of the Secured Creditor. We have written to the Secured Creditor to confirm whether they would be prepared to provide funding to support further detailed investigations into these claims in the case of a liquidation. The Secured Creditor has advised it is not prepared to provide any further funding to investigate these claims.

7.7. Insolvency

Our preliminary view is that while the Group was incurring significant losses, which were increasing, it did not appear to be insolvent while it had the funding support of the Secured Lender.

The Secured Lender issued a demand for repayment on 24 June 2024, providing the Companies with 24 hours to repay its secured debt in full. When the debt was not repaid by the Companies, the Secured Lender appointed Voluntary

Administrators pursuant to s436C of the Act on 26 June 2024. We understand that the letter of demand was issued due to a breach of covenants.

Whilst the Group had forecast a cash deficiency for several days in July 2024 (due to a large repayment due to the Secured Lender), its forecasts indicated a return to surplus which would continue through to the end of the cashflow forecast period (January 2025). Further, we understand that the Group had the ability to delay PDL purchases to alleviate the cash deficiency identified in the forecast. Our investigations indicate that the Group had met its repayments to the Secured Lender up until the expiry of the letter of demand issued by the Secured Lender.

Given the financial support provided by the Secured Lender, we are not aware of significant other indicators of insolvency such as creditors demanding payments, significant overdue trade debts / taxes or, a shortage of liquidity (cash) to pay debts as and when they became due.

The methods of testing solvency include, but are not limited to, the Cash Flow Test and the Balance Sheet Test, which are examined below.

A company is insolvent if it is unable to pay its debts as and when they become due and payable.

We discuss these issues further below, but the views expressed are preliminary as proof of insolvency is subject to detailed and extensive analysis. Liquidators are required to demonstrate that a company is insolvent in order to pursue certain recovery proceedings, for example insolvent trading claims (which we consider in Section 8).

7.7.1. Cash Flow Test

The Cash Flow Test is a measure of an entity's ability to pay its liabilities from available resources as and when they fall due.

PFGH & PFMH

PFGH and PFMH did not operate their own bank accounts, but had payments facilitated for them by other Group entities with corresponding entries to loan accounts between Group entities. The Companies books and records indicate that PFGH PFMH were able to pay their debts as and when they fell due as discussed below:

- PFGH and PFMH did not conduct any of the Group's operational trading and as such had limited trade creditors who could demand payment.
- PFGH was the head company of a consolidated tax group for income tax purposes. According to the Companies' records, there is no tax liability outstanding to the ATO at the date of our appointment.
- Obligations (both principal and interest repayments) to the Secured Lender were met up until the expiry of the Secured Lenders letter of demand on 25 June 2024.
- PFMH had not called its debt from PFGH. We have not sighted any documentation for this loan and understand it is undocumented and does not have repayment terms.

In the Administrators' opinion, PFGH and PFMH would have likely satisfied the cash flow test until immediately before the Administrators' appointment when the full amount owing to the Secured Lender became due and payable.

PF Group

The PFGH Consolidated Group's records indicate the Group was able to pay its debts as and when they fell due as discussed below:

- Creditors (including unsecured trade suppliers, lease payments, statutory and priority employee creditors) were generally paid within terms indicating the Group held sufficient cash to make payments.
- Management's cash flow forecast indicated the Group would generate sufficient cash flow for the medium term.

At appointment the Group's accounts payable reports indicated c.$389k in trade creditors, of which $380k were recorded as within 30 days. Prima facie, this aging is not indicative of insolvency. Trade creditors appear to be predominantly debts incurred by Panthera Finance Pty Ltd, A R L Collect Pty Ltd and United Loan Solutions Pty Ltd.

According to Management, the Group had no formal creditor payment plans, did not receive any demands or threats for winding up prior to Appointment and did not have any cash on delivery terms with suppliers.

7.7.2. Working capital and net current assets

Working capital is a measure of a company's short-term liquidity, representing the amount of current assets available to repay debts that are due within the next 12 months. It is calculated by deducting current liabilities from current assets. The working capital ratio, which is calculated by dividing current assets by current liabilities, provides an indication of a company's ability to meet its short-term obligations. A ratio of less than one suggests that a company may face difficulties in paying off its debts as they come due.

As discussed above, the Companies relied on the other Group entities to make payments.

The working capital ratio for the Group (as shown below) deteriorated from 6.55 at the end of FY21 to 0.65 as at FY22, due to the reclassification of secured debt in PFGH from non-current to current. We understand this reclassification occurred due to the upcoming expiry of the Group's CBA/Westpac secured facility in August 2022 and the CHAMP Loan, which were both in the process of being refinanced to the Secured Lender. The working capital deficiency as at FY22 was remedied by the refinance.

The Group's working capital position as at FY23 indicates that the Group had sufficient current assets to meet its current liabilities. The breach of covenants reported to the Secured Creditor on the 13th of May 2024 triggered a reclassification of the Secured Loan from non-current to current liabilities, which impacted the Group's working capital position as of 31 May 2024.

Table 19 - Working Capital - Group

$'000	FY21	FY22	FY23	YTD May24
Net working capital				
Current assets	105,700	92,423	121,383	66,125
Current liabilities	(16,144)	(142,611)	(18,441)	(136,290)
Working capital (Current assets less current liabilities)	89,556	(50,188)	102,942	(70,165)
Working capital/Liquidity ratio (Current assets/Current liabilities)	6.55	0.65	6.58	0.48

Source: FY21, FY22 & FY23 PFGH Group consolidated financial reports and 31 May 2024 balance sheet extracts from the Group's accounting system

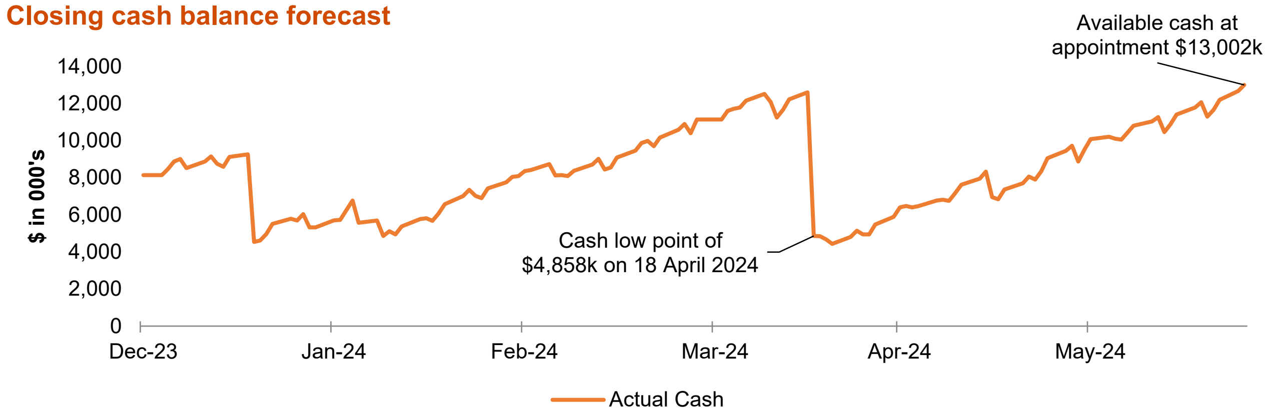
The Group's current assets include PDL's and other debtors for which the Group recorded significant impairments as at FY21 and FY22. Further analysis of these impairments and their impact on the solvency of the Companies is discussed at Section 6.2.1.

7.7.3. Short term cash flow forecast

PFGH and PFMH did not operate bank accounts and as such did not have their own short term cash flow forecast.

The Group maintained a daily cashflow forecast which was used for day-to-day cash management and formed part of a CFO report presented to the directors of the Group at monthly board meetings. We have been provided with the most recent iteration of the daily forecast prior to our appointment, which forecast cashflow through to June 2025. Management's forecast shows a strong cash balance between $6m to $21m for the forecast period.

Below we have summarised the daily Group closing cash for 2024 up to the date of our appointment. The cash low point for the period was $4.9m in April 2024 following a $8.1m payment to the Secured Creditor. We understand the Group also had the ability to delay PDL purchases to alleviate cash deficiencies as required.



Source: Group cashflow forecast

7.7.4. Creditor pressures

Based on discussions with Management and our review of the Group's aged creditor reports, it appears that no formal creditor payment plans were in place prior to the appointment of Administrators for PFGH, PFMH or the wider Group.

7.7.5. Balance Sheet test

The Balance Sheet Test assesses the solvency of a company by reference to its net asset position (i.e. the level of total assets relative to total liabilities) and capital base. We have conducted Balance Sheet Test analyses for PFGH, PFMH and the consolidated Group below.

PFGH

Prior to the refinance of secured debt to the Secured Lender, PFGH was the primary borrower for the CHAMP Debt Facility. PFGH's balance sheet records a negative net asset position in FY21 which is primarily created by an excess of loans receivable ULS over loans owing to CHAMP.

PFGH records deteriorating net liability positions in FY22 ($6.2m) and FY23 ($11.6m). The terms of the refinance to the Secured Lender in FY23 resulted in PFMH becoming the primary borrower, and the CHAMP Loan recorded on PFGH's balance sheet was replaced with an intercompany loan owing to PFMH. The net liability position in FY23 is primarily created by an excess of loans owing to PFMH over loans to ULS.

In FY24, the net asset position of PFGH has improved largely due to a dividend of $20.1m being received from PFMH, which reduced the PFMH loan account owing to PFGH.

Table 20 - Net assets – PFGH

$'000	FY21	FY22	FY23	YTD May24
Total assets	0	455	3,508	3,012
Total liabilities	14,648	(6,700)	(15,113)	5,539
Net assets	**14,648**	**(6,245)**	**(11,605)**	**8,499**

Source: PFGH balance sheet extracts from the Group accounting system

The deteriorating net asset deficiencies in PFGH at FY22 and FY23 are prima facie an indicator of insolvency in PFGH on a standalone basis.

PFMH

PFMH's records indicate that the Group reported small net asset deficiencies in FY21 and FY22, and a significant deterioration in net asset deficiency in FY23 (to $11.5m).

The net asset deficiencies in PFMH in FY21 and FY22 are primarily created by an excess of loans owing to PFGH over loans owed to PFMH by PFMG. The net asset deficiencies in PFMH in FY22 and FY23 are primarily created by an excess of loans owing to Brookfield and over loans owed to PFMH by PFMG and PFGH.

Table 21 - PFMH Net assets

$'000	FY21	FY22	FY23	YTD May24
Total assets	500	500	549	12,376
Total liabilities	(571)	(572)	(12,092)	(35,603)
Net assets	**(71)**	**(72)**	**(11,544)**	**(23,227)**

Source: PFMH balance sheet extracts from the Group accounting system

The deteriorating net asset deficiencies in PFMH are prima facie an indicator of insolvency in PFMH on a standalone basis.

Group

The Group's financial records indicate that the Group reported a positive net asset position for the , as shown in table 22 below:

Table 22 - Group Net assets

$'000	FY21	FY22	FY23	YTD May24
Total assets	298,995	249,710	236,882	188,571
Total liabilities	(172,295)	(154,296)	(167,031)	(151,013)
Net assets	**126,700**	**95,414**	**69,851**	**37,558**

Source: FY21, FY22 & FY23 PFGH Group consolidated financial reports and 31 May 2024 balance sheet extracts from the Group's accounting system

The significant reduction in net assets detailed in the table above was caused by impairments ($19M in FY21, $39.8m in FY22 and $17.5m in FY23) to PDL's owned by Panthera Finance Pty Ltd and the resulting losses incurred by the Group. At the same time, borrowings by the Group continued to increase to the end of FY23 (including debt incurred to payout the CHAMP equity warrants), before PDL purchases ceased and the sale of the CBA PDL's in the current year.

We understand that the impairments were a result of the actual collection of PDLs being below expectations when compared to prior collection curves. We have been advised by management that further impairment of $16m is likely to be recorded in FY24 for Panthera Finance Pty Ltd.

The Balance Sheet test on its own is not conclusive as to insolvency, however in the Administrators' opinion the reduction in net assets over time reflects a worsening position for the Group and diminishing resources available to meet liabilities.

7.7.6. Net debt and covenant compliance

Net debt represents the difference between cash and cash equivalents and borrowings (excluding lease liabilities). As the Group's borrowings and cash holdings were recorded in different entities within the Group, we have conducted this analysis on a Group basis only.

As at FY21, the Group's net debt was c.$79m (i.e. greater than cash). As at FY23, net debt had increased significantly to c.$127m as shown in table 23 below.

Net debt increased due to a depletion of cash reserves in FY22, and additional borrowings in FY23 incurred as part of the refinance to the Secured Lender. We understand that the additional borrowings were incurred to payout the equity warrants in favour of CHAMP.

Table 23 – Net Debt - Group

$'000	FY21	FY22	FY23	YTD May24
Cash and cash equivalents	53,536	12,943	16,865	15,335
Borrowings	(132,389)	(128,006)	(144,151)	(124,744)
Net debt	**(78,853)**	**(115,063)**	**(127,286)**	**(109,409)**

Source: FY21, FY22 & FY23 PFGH Group consolidated financial reports and 31 May 2024 balance sheet extracts from the Group's accounting system

We discuss covenant compliance in section 4.6.9. The Group breached interest coverage ratio (ICR) and loan to value ratio (LVR) covenants as of 31 March 2024, which were reported to the Secured Lender in mid-May 2024). We understand there was also a breach of the Secured Lenders facility in relation to the sale of the CBA PDL book in December 2023.

In the Administrators' opinion, the growing net debt and convenance breaches are indicative of an underlying unviable business, and potential for insolvency. However, the ongoing support of the Secured Lender and strong remaining cash position until shortly prior to Appointment ameliorates a formal position of insolvency.

7.7.7. Other Indicators of Insolvency

Our investigations to date have not identified any other indicators of insolvency until or just prior to Appointment.

Determining whether a company is insolvent (and the date at which insolvency occurred) is often difficult and is ultimately a matter for the courts to decide. The courts have identified fourteen general indicators of insolvency that are considered further in ASIC Regulatory Guide 217.

Our investigations to date have identified that a limited number of these indicators apply, or may apply, to the Group, as summarised below:

Table 24 – Insolvency indicators – Group

Indicator	Present	Comment
Continuing trading losses	Yes	The Group has recorded net losses of $21.1m in FY22, $25.6m in FY23 and $43.8m YTD FY24
Working capital ratio below one	Yes	The Group working capital ratio fluctuated throughout the period we have analysed, as discussed in more detail above.
Overdue Commonwealth and state taxes	No	We understand that all taxes are within current terms, which is reflected in the Group's records.
Poor relationship with borrower/financier including inability to borrow additional funds	No	The Group received ongoing support from the Secured Lender until shortly before Appointment.
No access to alternative finance	No	The Group was able to refinance its debts to the current Secured Lender in October 2022. The Group was not in the process of seeking alternative finance prior to Appointment.
Inability to raise further equity	No	Shareholders received dividends of $6m but returned $4m in equity in the year ending 30 June 2022. No further contributions were subsequently made however there is no evidence to suggest further equity could not be provided if necessary.
Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply	No	We have not identified any suppliers on COD terms.
Creditors outside trading terms	No	The Administrators review of creditor ageing and books and records did not identify material overdue creditor balances in PFGH, PFMH or the Group. Management has advised that there were no creditors outside of trading terms.
Issuing of post-dated cheques	N/A	Not applicable

Dishonoured cheques	N/A	Not applicable
Special arrangements with selected creditors	No	We have not identified any payment plans in place with trade creditors, the ATO or other statutory bodies prior to Appointment.
Legal action threatened or commenced, or judgements entered against the company	No	No evidence of legal action threatened or commenced against the Group by creditors
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	No	No evidence of payments to creditors of rounded figures.
Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts	No	Management has provided detailed financial information (actual and forecast) in relation to the Group, including financial performance and position.

Source: Discussions with Management

7.7.8. Proving Insolvency

Further investigations into the Group's insolvency may be conducted by a liquidator should the Australian Group be placed into liquidation. As a preliminary step, a liquidator, if appointed, would likely seek to obtain more detailed information from the directors and other persons via public examinations (see section 8.6)

7.8. Legal/class actions

We are unaware of any legal proceedings against PFGH or PFMH by creditors.

As detailed at section 7.4, Consumer Affairs Victoria commenced legal action against Panthera Finance Pty Ltd alleging it breached Victorian fair-trading laws by engaging in debt collection in Victoria when prohibited to do so. This action is related to a previous court action against Panthera Finance Pty Ltd by the ACCC.

7.9. Outstanding or previous winding up applications

We are not aware of any outstanding or previous winding up applications against the Australian Group.

7.10. Books and records

Our preliminary view is that the Companies maintained adequate books and records.

A company must keep written financial records that:

- correctly record and explain its transactions, financial position and performance;
- would enable true and fair financial statements to be prepared and audited; and
- must be kept for seven years after the transactions covered by the records are completed (s286).

A director is responsible for ensuring that adequate financial records are maintained. A director who fails to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors.

Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to S.588E of the Act).

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286);
- failure to take all reasonable steps to comply with financial records reporting requirements (s344); and
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180).

8. Contraventions and liquidation recoveries

Key Comments

Based on our investigations to date, and as noted above, PFGH and PFMH became unable to meet their ongoing obligations once the Secured Lender issued a letter of demand for repayment of the secured debt.

It is the Administrators' preliminary view that PFGH and PFMH became insolvent on the Secured Lender issuing a demand for repayment of their loan. The Secured Lender appointed Voluntary Administrators shortly after.

In respect of voidable transactions (being transactions a liquidator may seek to reverse) we have not found any evidence of voidable transactions, including unfair preference claims, in relation to unsecured creditor payments.

Given the time available during administration we are not able to provide a conclusive view on potential contraventions of the Act that may have occurred or amounts that may be recoverable by a liquidator in the event that the Companies are placed into liquidation.

Further discussion is provided below.

A liquidator has the ability pursue certain claims that may result in recoveries for creditors. Importantly, these claims are not available to a deed administrator should creditors vote to execute a DOCA proposal.

To compare the likely, return to creditors under a DOCA and liquidation, administrators identify claims that a liquidator could pursue, including:

- voidable transactions and other potential recoveries; and
- recoveries against a director, company secretary, other officers, advisors, related parties or third parties.

Enclosed at **Appendix E** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by ASIC, which provides general information for creditors on the types of claims that a liquidator can pursue.

8.1. Insolvent trading

Based on our investigations to date, it is the Administrators' preliminary view that PFGH and PFMH became insolvent on the issue of a demand for repayment by the Secured Lender on 24 July 2024. The secured lender appointed Voluntary Administrators on the 26 June 2024. As the appointment of Administrators to PFGH and PFMH incurred shortly after the Companies became insolvent, it is unlikely insolvent trading occurred.

As the main creditor in PFMH, the main beneficiary of any insolvent trading claim would be the Secured Lender for any unsecured portion of their total claim.

Insolvent trading may occur when an entity incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt; and
- there were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt.

Directors of an entity have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the entity is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in determining whether insolvent trading has occurred includes whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent an entity from incurring a debt at a time when there are reasonable grounds to suspect that the entity is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator cannot pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may be able to recover from a director the amount of loss or damages suffered by a creditor (s588M).

8.1.1. Director defences

It should be noted that, under the Act, defences are available to a director relating to insolvent trading, and include:

- the director had reasonable grounds to expect, and did expect, that the entity was solvent at that time and would continue to be solvent if it incurred the debt;
- the director had reasonable grounds to believe that a competent and reliable person was providing information about the solvency of the entity and it was expected based on available information that the entity was solvent and would continue to be solvent if the debt was incurred;
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the entity; and
- the director took all reasonable steps to prevent the entity from incurring the debt.
- We have also been advised that the directors engaged a qualified restructuring professional to provide safe harbour advice prior to our appointment which would provide an additional defence to insolvent trading.

8.2. Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

At this stage, we have not identified any potential voidable transaction recoveries. As the Administrators were appointed one day after the Secured Lender issued its demands (at which point PFGH and PFMH likely became insolvent) and our findings that unsecured creditors were largely paid within terms, there is unlikely to be any "insolvent transactions" including for example realisations from unfair preference claims. Our preliminary view regarding insolvency also limits the period during which uncommercial transactions may be voidable and we have not identified any potential uncommercial transactions.

Based on our preliminary investigations, the $1m dividend payment to shareholders in August 2023 and $2m net dividend payments in FY22 (and earlier dividends we have identified and reported on) do not appear to constitute unreasonable director related transaction or are otherwise capable of being set-aside. For a dividend payment to a director to be 'reasonable', the relevant entity must be able to pay that dividend from profits (retained earnings) be fair and reasonable as a whole to shareholders and not materially prejudice the company's ability to pay its creditors. The relevant accounting entries indicate that the dividends paid from PFMH to PFGH and to the shareholders of PFGH were paid from profits. In addition, as noted in this report we don't consider the Companies were likely to be insolvent until immediately prior to the appointment of the Administrators.

8.3. Offences

A director and others have duties, obligations and responsibilities in relation to common law and statute. Our preliminary investigations have not identified any offences. In the event the Companies are placed into liquidation, further investigations would be undertaken by a liquidator.

8.3.1. Director Duties

We have not identified any grounds to indicate that (in the event of the liquidation of the Companies) a liquidator would have grounds to pursue an action for breach of the director's statutory duties (ss 180, 181 and 182 of the Act).

We note our earlier comments at Section 6.3 in respect of the various alleged claims made by Jamie Hough and Mathew Hough. In our view it is arguable that such claims, if proven, may constitute claims for breaches of director duties however as noted significant additional investigations would need to be conducted by a liquidator to determine the viability of such claims. Given their nature, in order to investigate these claims, funding would need to be provided to a liquidator and we note the Secured Creditor (and only significant creditor remaining of the Companies) has indicated they do not wish to fund any investigations into these claims. For the purposes of this Report we have not included any potential recoveries from such claims.

8.3.2. Other breaches/contraventions under the Act

Our preliminary investigations have not identified any other breaches or contraventions committed by the director or other officers of the Companies under the Act. A liquidator can conduct more thorough investigations to identify any potential offences and recoveries (if any). If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- compensation to the company for damages resulting from the contravention;
- fines (up to $200,000);
- imprisonment (up to 5 years); and
- disqualification from managing corporations.

8.3.3. Other Legislation

In addition to offences under the Act, a director and others may commit offences in respect of a company under other legislation, for example:

- taxation laws;
- the Competition and Consumer Act 2010 (Cth) and the Australian Consumer Law; and
- fair trading laws.

Our preliminary investigations have not identified any other breaches by directors relating to the Companies.

8.4. Director's and officers' insurance policy

A Directors and Officers insurance policy (**D&O Policy**) offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

At the date of our appointment, we understand that the Group had a D&O Policy however the Administrators were not provided with copies of the policy by Management or the Directors following our request for the same.

The D&O Policy may be subject to further investigation should creditors elect to place PFGH and PFMH into liquidation at the Second Meetings, in particular an investigation into the conditions, limits and period of cover.

8.5. Director's personal financial position

When a liquidator assesses the commercial merit of pursuing a claim, a key consideration is the capacity of the defending party to satisfy the claim.

We wrote to the directors of the Companies requesting that they provide a statement of personal financial position.

We are unaware of the personal financial circumstances of Jamie Hough as he did not submit a statement of assets and liabilities to us when requested. Searches of land titles records do not reveal any real property in his name.

Mathew Hough has provided us with a statement of his personal financial position but requested that the information contained therein be kept confidential. Notwithstanding Mathew's disclosure of real properties, searches of land titles records reveal that no real property is recorded in his name, rather it appears a number of the properties are owned by his wife and other private companies. Further investigations would need to be conducted to determine what beneficial interest, if any, Mathew may have in any of the assets to satisfy any potential judgment.

Should creditors resolve to place the Companies into liquidation at the Second Meeting, a liquidator would continue investigating the directors' personal financial positions.

8.6. Public examinations

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the company;
- other affairs of the company; and
- the business affairs of a connected company of the company insofar as they appear to be relevant to the company or its affairs.

If the Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

In the event of PFGH and/or PFMH's liquidation, a liquidator could seek to publicly examine the directors and other persons of interest.

8.7. Reporting of offences to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to s438D of the Act where it appears that:

- an Australian Group company officer may have committed an offence;
- money or property has been misapplied or retained; or
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of findings with ASIC, pursuant to s533 of the Act.

Creditors should also be aware that any report lodged pursuant to s438D (or an investigative report lodged by a liquidator pursuant to s533 of the Act) is not available to the public.

As discussed at Section 8.3 above, our investigations have not substantiated any offences at this stage which would require us to report to ASIC.

8.8. Costs of investigations and pursuing recovery actions

Should creditors resolve that PFGH and/or PFMH be wound up and a liquidator appointed, the liquidator may not be fully funded to meet the costs of any recovery actions that may be available to pursue.

Creditors should note that recovery actions:

- may be expensive, lengthy and with uncertain outcomes;
- should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish); and
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation.

9. Deed of Company Arrangement (Deed)

A DOCA is a binding agreement between a company and its creditors setting out how a company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business continuing to exist or providing a better return to creditors than would be achieved by winding up the company.

Creditors can vote at the Second Meetings as to whether the Companies should execute a DOCA.

9.1. Proposed DOCA

We received a draft DOCA proposal from Jamie Hough and Mathew Hough, the Directors of the Companies and shareholders of PFGH (PF Deed).

The key features of the proposed Deed from the Directors and Shareholders are as follows:

1) Adam Colley and Andrew Scott are to be the deed administrators of the DOCA (**Deed Administrators**). Adam Colley, Andrew Scott, Stephen Longley and Derrick Vickers are presently the voluntary administrators of the Group (Administrators).
2) The Shareholders are the Proponents of the deed:
    a. HJK Investments Pty Ltd (ACN 147 599 308) as trustee for HJK Investments Trust (HJK Investments); and
    b. HMB Investments Pty Ltd (ACN 147 599 344) as trustee for the HMB Investments Trust (HBM Investments).

    (together, the **Proponents**).
3) A fund will be established to make payments to creditors including:
    a. all the assets of PFGH and PFMH, including the entire cash at bank in the voluntary administrators' accounts, as at the date the DOCA is executed by all parties to it (Commencement Date), being an amount of approximately $400,000,
    b. and $52,636.00 by way of deed contribution by the Proponent (**Deed Contribution**)

    (together, **Deed Fund**).
4) The Deed Contribution will be paid in two instalments:
    a. $25,000 is payable within 3 business days of the date the PF Deed term sheet is executed; and
    b. $27,636 is payable within 2 business days of the Deed Fund being established
5) The Deed Fund is to be distributed as follows within 5 business days after the effectuation of the DOCA:
    g) firstly, in payment of the remuneration, costs and expenses of the Administrators incurred during the voluntary administrations of PF Group Holdings and PF Management Holdings;
    h) secondly, in payment of the remuneration, costs and expenses of the Deed Administrators;
    i) thirdly, in payment of claims of eligible employee creditors in accordance with the priorities in section 556 of the Corporations Act 2001 (Cth) (if any);
    j) fourthly, to the Australian Securities and Investments Commission (i.e. ASIC) the amount of $2,636;
    k) fifthly, in payment of BSI PF Lender LP's secured debt; and
    l) finally, in payment of unsecured creditors' claims on a pari-passu basis.
6) The DOCA will be fully effectuated upon all the following having occurred:
    a) The DOCA must be executed by all parties to it.
    b) The Deed Contribution must be paid in full.

c) The Deed Administrators shall confirm that all contractual obligations of PFMH under: (1) the share sale deeds for the sale of the Gedda and non-Gedda businesses; and (2) any transaction documents relating to the above, have been met as at the time of effectuation of the DOCA.

d) The Secured Lender:

   i) consents, in their sole and unfettered discretion, to the terms of DOCA and the Settlement Deed and any other documents to be entered into in connection with the DOCA;

   ii) does not vote against the DOCA;

   iii) consents, in writing, to the release of its security over the Group and secured obligations over the Group to be effective on the satisfaction of the following conditions:

      (1) the effectuation of the DOCA; and

      (2) the Settlement Deed becoming effective.

      (3) A deed of settlement and release be executed, with mutual releases given between:

         (a) BSI PF Lender LP (and its affiliates / related entities) on the one hand and the Group (and its affiliates / related entities), Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the other hand;

         (b) The Administrators and Deed Administrators (and their affiliates / related entities) on the one hand and the Group (and its affiliates / related entities), Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the other hand; and

         (c) Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the one hand and the Group (and its affiliates / related entities) on the other hand.

      (the "**Settlement Deed**")

9.1.1. Estimated return to creditors

We estimate creditors' returns under the Deed proposal will be:

Creditor type	Cents in the dollar	Distribution timing
Secured creditors	94 cents / $	February 2025
Employees	n/a	n/a
Trade creditors (ASIC)	100 cents / $	February 2025
Related entities	Nil	n/a

Section 10 details our calculation of estimated creditors' returns under the Deed proposal, with a comparison to the estimated returns under the other options available.

9.2. Deed general information

If creditors decide to vote for a Deed:

- the Company must sign/execute the Deed within 15 business days of the Second Meeting, otherwise the Company automatically proceeds into liquidation. The court can allow longer time if required.
- unsecured creditors will be bound by the Deed, even if they vote against.
- property owners, lessors, and secured creditors who vote in favour will be bound by the Deed.
- the court can bind any creditor to the Deed.

10. Estimated return to creditors

Detailed below is a comparison of the estimated returns to creditors under the PF Deed and liquidation scenarios.

Based on the assumptions detailed in the notes below, the liquidation scenario provides for an estimate return to non-related unsecured creditors of 0 cents in the dollar, compared to the Deed scenario of 100 cents in the dollar.

Noting that all the non-related entity creditors are the same across both Companies we have analysed the estimated return to Creditors based on realisations and costs for both companies combined.

$'000		Report section and notes	Liquidation	Deed
Assets				
	Investment in shares	Section 5.2	113,387	113,387
	Intercompany Loans		11,971	11,971
	Tax Refund	Section 5.2	4,824	4,824
	Insolvent trading claims	Section 8.1	-	-
	Voidable transaction claims	Section 8.2	-	-
	Other claims	Section 7.6	TBC	-
	Total administration recoveries		**130,182**	**130,182**
Less	**Secured Creditor payments to date**		**124,500**	**124,500**
	Shortfall to secured creditors		*(8,397)*	*(8,397)*
	Cash retained		**5,682**	**5,682**
Less	Administrators' fees		2,974	2,974
	Administrators' costs		1,915	1,915
	Administrators' future fees		211	274
	Administrators' future costs		120	120
	Estimated cash after payment of Administrators		**463**	**400**
	Deed contribution		**-**	**53**
	Liquidator's assets / Deed Fund		**463**	**453**
less	Liquidators' fees		275	-
	Liquidators' costs		55	-
	Deed Administrators' fees		-	63
	Deed Administrators' costs		-	55
	Estimated outcome		**133**	**335**
	Return to secured creditors		**94 cents / $**	**94 cents / $**
	Return to unsecured trade creditors		**-**	**100 cents / $**
	Return to related party creditors		**-**	**n.a.**

11. Administrators' opinion

We are of the opinion that it is in the creditors' best interests that the Companies execute the proposed Deed.

Our opinion of each option available to creditors is discussed below.

11.1. Liquidation

We are of the opinion that it is **not** in the best interest of creditors that the Companies be wound up.

Our preliminary view is that the Companies were unlikely to be insolvent until immediately prior to our appointment as Administrators and such as noted in our report there is unlikely to be any claims available to a liquidator arising from insolvent trading or other voidable transactions. We have also noted in our report that we have not identified any offences from the former directors of the Companies. Whilst there are potential claims that have been identified by the directors which may include actions available to the Companies, as noted in this report significant further investigation would be required by a liquidator in order to reach a conclusion on this issue. The secured creditor has advised they are not prepared to provide funding in a liquidation to further investigate such claims. On that basis we have not prescribed any value for such claims in a theoretical liquidation.

Apart from the secured creditor, there are no material unrelated creditors of the Company that remain in the Companies following the successful sales of the various shareholdings and releases of the DXG discussed previously in this report. A liquidator (if appointed) would be able to conduct detailed investigations into the circumstances leading up to the appointment of the Administrators.

A liquidator will be empowered to:

- assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by the Company (**Section 4.5.4**)
- pursue various potential recoveries under the Act, such as voidable transactions
- Investigate and pursue other claims available to the Company (such as breaches of director duties) distribute recoveries made in accordance with the priority provisions of the Act
- complete more thorough investigations into:
  - the Company's dealings and affairs
  - actions of the director(s)
- report findings to ASIC pursuant to the Act

Our liquidation scenario provides for an estimate return to non related unsecured creditors of 0 cents in the dollar, and a marginally lower return to Secured Lender. It is possible that this is improved through pursual of Claims however as noted in this report we have not been able to identify any claims to date and significant additional work would need to be carried out by an unfunded liquidator. We consider the Deed to provide greater certainty of outcome for all parties.

Given the above matters, we consider that a liquidation presents material uncertainty as to the outcome for creditors and do not consider liquidation is in the best interests of creditors.

11.2. Deed

In the Administrators' opinion it is in the best interest of creditors that the Company execute a Deed.

A detailed discussion of the terms of the DOCA are in Section 9 of this Report.

We are of the opinion that it is in the best interests of creditors that the Companies execute the DOCA proposed by the Directors. This is on the basis that:

- The DOCA contribution will be paid in full within 5 days of the Deed Fund being established, giving certainty and finality to creditors, whereas a liquidation may be drawn out and take years to finalise.

- Provides for unrelated creditors (excluding the secured creditor) to be paid 100 cents in the dollar and a return to the secured creditor of 93.92 cents in the dollar which is marginally greater than a likely return of 93.78 cents in the dollar under a liquidation scenario.
- Provides for mutual releases for the benefit of the companies, secured creditor, Administrators/Deed Administrators and Mathew Hough and Jamie Hough (and their related parties).
- The Administrators consider all material assets of the Companies have already been realised as part of the Administration process to date and the Deed enables the Companies affairs to be finalised more expeditiously

11.3. Administration to end

We are of the opinion that it is not in the best interest of creditors to end the administration.

While our investigations are continuing, it is evident that Company is insolvent and unable to pay its remaining debts (**Section 7.3**) and the Deed provides greater certainty on the outcome to all classes of creditors. Accordingly, returning control of the Companies to the directors would be inappropriate in the present circumstances.

12. Enquires

Should you have any enquiries please contact the PricewaterhouseCoopers by email at pfgroup@au.pwc.com.

DATED this 5th day of February 2025

Adam Colley
Joint Administrator

Andrew Scott
Joint Administrator

Appendices

Appendix A – Notice of meeting of creditors

CORPORATIONS ACT 2001
Section 439A

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-225

NOTICE OF SECOND MEETING OF CREDITORS
PF Group Holdings Pty Ltd (ACN 622 776 765) (Administrators Appointed)
PF Management Holdings Pty Ltd (ACN 622 782 512) (Administrators Appointed)
(the Companies)

NOTICE is given that concurrent meetings of the creditors of the Companies will be held at the offices of PricewaterhouseCoopers, One International Towers, Watermans Quay, Barangaroo NSW 2000, and by virtual meeting via video conference, on Thursday 13 February 2025 at 11:00am AEDT.

A G E N D A

1. To receive the report by the joint and several Administrators concerning the Companies' business, property, affairs and financial circumstances.
2. For creditors to resolve:
   a. that the companies execute a Deed of Company Arrangement; or
   b. that the administration should end; or
   c. that the companies be wound up.
3. To approve:
   a. The Administrators' remuneration
   b. The Deed Administrators' remuneration, if one is appointed or
   c. The Liquidators' remuneration, if one is appointed.
4. If the companies are wound up or a Deed is executed, to consider appointing a Committee of Inspection and, if so, who are to be the committee members.
5. If no Committee is appointed, to consider the destruction of the books and records at the conclusion of the winding up, if a Liquidator is appointed.
6. Questions from Creditors.
7. Any other business that may be lawfully brought forward

Electronic meeting facilities will be available at the meeting. Creditors wishing to attend by electronic means will be provided with details of those facilities following the submission of a completed proof of debt (if not already submitted previously) and a proxy form for the meeting.

A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D. Proxies for this meeting should be submitted to the Administrators by 4.00pm AEDT on Wednesday, 12 February 2025 via post to the address below or by email (preferred) to pfgroup@au.pwc.com.

Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the relevant company in accordance with IPR 75-85 and that claim has been admitted for voting purposes wholly or in part by the joint and several Administrators.

DATED this 5th day of February 2025.

ANDREW SCOTT
JOINT ADMINISTRATOR

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Telephone: (02) 8266 0000

Appendix B – Proxy form

Corporations Act 2001
Insolvency Practice Rules (Corporations) 2016
s75-25 & 75-150

FORM 532
APPOINTMENT OF PROXY

PF MANAGEMENT HOLDINGS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 622 782 512 (the Company)

A. Appointment of a proxy

I/We,………...........
(If a company, strike out "I" and set out full name of the company)

of ………
(address)

a creditor of the Company appoint ....
as my/our proxy, or in his/her absence………………………………………………, to vote at the meeting of creditors to be held on 13 February 2025 at 11am AEDT, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	That the remuneration of the Administrators is approved for the period 26 June 2024 to 31 January 2025 of $2,404,706 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.	☐	☐	☐
2	That the remuneration of the Administrators is approved for the period 1 February 2025 to 13 February 2025 of $95,960 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.	☐	☐	☐
3 (if applicable)	That the future remuneration of the Administrators is approved for the period 13 February 2025 to the execution of the Deed of Company Arrangement up to a maximum of $28,620 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.	☐	☐	☐
4 (if applicable)	That the future remuneration of the Deed Administrators is approved from the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement up to a maximum of $38,715 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.	☐	☐	☐
5 (if applicable)	That the future remuneration of Liquidators is approved for the period 13 February 2025 to the conclusion of the Liquidation up to a maximum of $125,055 plus GST, as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available	☐	☐	☐

	funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.			
6,7,8 (vote in favour of one only)	That the Company be wound up	☐	☐	☐
	That the Company execute a Deed of Company Arrangement	☐	☐	☐
	That the Administration should end (and control revert back to the Company director(s))	☐	☐	☐
9 (if applicable)	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.	☐	☐	☐
10 (if applicable)	If the Company is wound up, that the liquidators may apply to ASIC for the early destruction of books and records following the end of the liquidation.	☐	☐	☐

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the creditor is an individual	If the creditor is a Company
…………………………………………………	……………………………………………………………….. Director/Company Secretary
	………………………………………………………………. Print name

DATED this day of .

Certificate of witness

Please note: *This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I………………………………………………………. of ……………………………………………………….. certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Signature of Witness: ……………………………………………………………………

Place of residence: ……………………………………………………………………

Dated: ……………………………………………………………………

Corporations Act 2001
Insolvency Practice Rules (Corporations) 2016
s75-25 & 75-150

FORM 532
APPOINTMENT OF PROXY

PF GROUP HOLDINGS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 622 776 765 (the Company)

A. Appointment of a proxy

I/We,………............
(If a company, strike out "I" and set out full name of the company)

of ………
(address)

a creditor of the Company appoint ....
as my/our proxy, or in his/her absence………………………………………………, to vote at the meeting of creditors to be held on 13 February 2025 at 11am AEDT, or at any adjournment of that meeting.

B. Voting directions

Option 1: ☐ If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: ☐ If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	That the remuneration of the Administrators is approved for the period 26 June 2024 to 31 January 2025 of $298,922 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.	☐	☐	☐
2	That the remuneration of the Administrators is approved for the period 1 February 2025 to 13 February 2025 of $95,960 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.	☐	☐	☐
3 (if applicable)	That the future remuneration of the Administrators is approved for the period 13 February 2025 to the execution of the Deed of Company Arrangement up to a maximum of $28,620 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.	☐	☐	☐
4 (if applicable)	That the future remuneration of the Deed Administrators is approved from the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement up to a maximum of $38,715 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.	☐	☐	☐
5 (if applicable)	That the future remuneration of Liquidators is approved for the period 13 February 2025 to the conclusion of the Liquidation up to a maximum of $125,055 plus GST, as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available	☐	☐	☐

	funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.			
6,7,8 (vote in favour of one only)	That the Company be wound up	☐	☐	☐
	That the Company execute a Deed of Company Arrangement	☐	☐	☐
	That the Administration should end (and control revert back to the Company director(s))	☐	☐	☐
9 (if applicable)	If the Company is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors.	☐	☐	☐
10 (if applicable)	If the Company is wound up, that the liquidators may apply to ASIC for the early destruction of books and records following the end of the liquidation.	☐	☐	☐

C. Signature *(in accordance with Sections 127 or 250D of the Corporations Act 2001)*

If the creditor is an individual

………………………………………………………

If the creditor is a Company

……………………………………………………………………...
Director/Company Secretary

…………………………………………………………………….
Print name

DATED this day of .

Certificate of witness

Please note*: This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I……………………………………………………… of ……………………………………………………… certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Signature of Witness: ………………………………………………………………………

Place of residence: ………………………………………………………………………

Dated: ………………………………………………………………………

Appendix C – Proof of debt form

FORM 535
CORPORATIONS ACT 2001

Section 600G
Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of PF Group Holdings Pty Ltd (Administrators Appointed) ACN 622 776 765

1. This is to state that the company was, on 26 June 2024 (1) and still is, justly and truly indebted to(2) (full name):

   ('Creditor'): ....

   of (full address) ....

   for $ .... dollars and .... cents.

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 ....

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 / /			

FORM 535
CORPORATIONS ACT 2001

Section 600G
Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of PF Management Holdings Pty Ltd (Administrators Appointed) ACN 622 782 512

1. This is to state that the company was, on 26 June 2024 (1) and still is, justly and truly indebted to(2) (full name):

   ('Creditor'): ....

   of (full address) ....

   for $ .... dollars and .... cents.

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 ....

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.

Appendix D – Remuneration approval request

www.pwc.com.au

PF Group Holdings Pty Ltd ACN 622 776 765 (Administrators Appointed)

Remuneration Approval Report

5 February 2025

pwc

Introduction

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.

You should read this report and the 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 meeting. The meeting 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 lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in this detailed report to creditors and in the notice of meeting of creditors.

Contents

1 Declaration

Adam Colley, Andrew Scott, Stephen Longley and Derrick Vickers of PricewaterhouseCoopers have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of PF Group Holdings Pty Ltd in accordance with the law and applicable professional standards. We are satisified that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

2 Executive Summary

To date, no remunration has been approved and paid.

This report details approval sought for our current and future remuneration and disbursements as set out in the table below. Please refer to report sections references detailed in the table for full details of the calculation and composition of the remuneration and disbursement approvals sought.

This remuneration report details approval sought for the following fees:

Remuneration approval sought (excluding GST):	**Reference**	**Amount $ (ex GST)**
Voluntary Administration		
Resolution 1: 26 June 2024 to 31 January 2025	A1	298,922
Resolution 2: 1 February 2025 to 13 February 2025	A2	95,960
Resolution 3: 13 February 2025 to DOCA execution	A3	28,620
Total VA Remuneration Sought		423,502
Deed of Company Arrangement		
Resolution 4: DOCA execution to completion of the DOCA	A4	38,715
Total DOCA Remuneration Sought		38,715
Liquidation (If applicable)		
Resolution 5: 13 February 2025 to completion of the liquidation	A5	125,055

*Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the external administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

No disbursements have been claimed or previously approved to date.

3 Remuneration

3.1 Resolution

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and attached schedules.

Resolution 1

That the remuneration of the Administrators is approved for the period 26 June 2024 to 31 January 2025 of $298,922 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 2

That the remuneration of the Administrators is approved for the period 1 February 2025 to 13 February 2025 of $95,960 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 3 (if applicable)

That the future remuneration of the Administrators is approved for the period 13 February 2025 to the execution of the Deed of Company Arrangement up to a maximum of $28,620 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 4 (if applicable)

That the future remuneration of the Deed Administrators is approved from the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement up to a maximum of $38,715 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.

Resolution 5 (if applicable)

That the future remuneration of the Liquidators is approved for the period 13 February 2025 to the conclusion of the Liquidation up to a maximum of $125,055 plus GST, as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration, deed administration or liquidation will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

The total remuneration for the administration period is within the range of costs provided in the Initial Remuneration Notice dated 28 June 2024, which estimated a cost of the administration of $250,000 - $350,000 (excluding GST) to complete.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Deed Administration/Liquidation will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Deed Administration/Liquidation not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the Deed Administration/Liquidation include:

- Delays in the completion of the Conditions Precedent required to effectuate any Deed of Company Arrangement
- Delays in transitioning control of the Company in a Deed of Company Arrangement
- Investigations in the liquidation reveal further actions which should be taken
- Potential complex litigation associated with the pursuit of identified liquidator claims against various parties

3.4 Likely impact on dividends

The Corporations Act sets out the order for payment of claims against the Company and it provides for remuneration of the administrator / deed administrator / liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the administrator / deed administrator / liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted participating in any dividend, including any claims by priority creditors.

3.5 Remuneration recovered from external sources

The Joint and Several Administrators have not received any funding from external sources for their remuneration.

4 Disbursements

Disbursements are divided into three types:

- **Externally provided professional** services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs such as travel, accommodation and search fees** - these are recovered at cost.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the 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.

We are not required to seek creditor approval for costs paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. Details of these disbursements are included in the attached Summary of Receipts and Payments - **Appendix C**.

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We will not be seeking creditor approval to pay our disbursements from creditors.

4.1 Internal disbursement claim

No disbursements have been paid by the administration to our firm to date.

Where amounts will be paid to our firm for externally provided services and costs, that is in reimbursement of a cost previously paid by our firm either due to a lack of funds in the Administration at the time the payment was due or the direct invoicing of our firm by the supplier.

4.2 Future basis of internal disbursements

Future disbursements provided by our firm will be charged to the administration on the following basis:

Basis of disbursement claim

Disbursements	**Rate (excl GST)**
External professional services	At cost
External non-professional services	At cost

5 Summary of receipts and payments

The summary of receipts and payments for the period from 26 June 2024 to 31 January 2025 is contained in **Appendix C.**

6 Queries

Please contact by email to pfgroup@au.pwc.com should you have any further queries or require any further information regarding the email.

You can access additional information on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/

Appendices

Appendix A Calculation of remuneration schedules

Table A1

PF Group Holdings Pty Ltd – Table A1 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 26 June 2024 to 31 January 2025

Employee	Position	$/hours	Total Actual	Total	Assets		Creditors		Investigations		Administration		Employees		Trade on	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	79.00	65,175.00	51,562.50	62.50	4,702.50	5.70	1,650.00	2.00	3,960.00	4.80	-	-	3,300.00	4.00
Andy Scott	Partner/Appointee	825	2.50	2,062.50	-	-	1,650.00	2.00	-	-	412.50	0.50	-	-	-	-
Melissa Humann	Managing Director	750	135.70	101,775.00	2,400.00	3.20	27,750.00	37.00	8,100.00	10.80	62,925.00	83.90	525.00	0.70	75.00	0.10
David Haddock	Director	725	6.20	4,495.00	-	-	-	-	4,495.00	6.20	-	-	-	-	-	-
Andy Collins	Senior Manager	640	8.00	5,120.00	-	-	3,648.00	5.70	192.00	0.30	192.00	0.30	576.00	0.90	512.00	0.80
Tom Girdwood	Senior Manager	640	104.90	67,136.00	896.00	1.40	27,072.00	42.30	22,400.00	35.00	15,168.00	23.70	320.00	0.50	1,280.00	2.00
Sylvia Young	Senior Manager	640	1.50	960.00	-	-	-	-	-	-	960.00	1.50	-	-	-	-
Charlotte Summers	Manager	580	1.60	928.00	-	-	290.00	0.50	-	-	638.00	1.10	-	-	-	-
Charlotte Summers	Senior Consultant	425	17.80	7,565.00	-	-	3,145.00	7.40	3,017.50	7.10	1,402.50	3.30	-	-	-	-
Steph Hird	Senior Consultant	425	25.40	10,795.00	212.50	0.50	10,582.50	24.90	-	-	-	-	-	-	-	-
Iris Miao	Consultant	350	38.00	13,300.00	-	-	2,800.00	8.00	-	-	10,220.00	29.20	280.00	0.80	-	-
Sonal Kumar	Administration support	230	5.80	1,334.00	-	-	-	-	-	-	1,334.00	5.80	-	-	-	-
Joseph Le	Administration support	230	2.00	460.00	-	-	-	-	-	-	460.00	2.00	-	-	-	-
Shashi Murthy	Administration support	230	0.70	161.00	-	-	-	-	-	-	161.00	0.70	-	-	-	-
Total			**450.50**	**298,921.50**	**55,071.00**	**67.60**	**82,877.50**	**135.00**	**50,249.50**	**74.00**	**103,855.50**	**164.10**	**1,701.00**	**2.90**	**5,167.00**	**6.90**
GST				29,892.15												
Total (Including GST)				**328,813.65**												
Average rate (excluding GST)				663.53	814.66		613.91		679.05		632.88		586.55		748.84	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A2

PF Group Holdings Pty Ltd – Table A2 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 1 February 2025 to 13 February 2025

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration		Trade on	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	13.0	10,725.00	1,650.00	2.0	8,250.00	10.0	825.00	1.0	-	-
Derrick Vickers	Partner/Appointee	825	1.0	825.00	-	-	-	-	825.00	1.0	-	-
Stephen Longley	Partner/Appointee	825	1.0	825.00	-	-	-	-	825.00	1.0	-	-
Andy Scott	Partner/Appointee	825	18.0	14,850.00	1,650.00	2.0	12,375.00	15.0	825.00	1.0	-	-
Jane Madden	Partner	825	1.0	825.00	825.00	1.0	-	-	-	-	-	-
Melissa Humann	Managing Director	750	13.0	9,750.00	6,000.00	8.0	3,000.00	4.0	750.00	1.0	-	-
Andy Collins	Director	725	31.0	22,475.00	725.00	1.0	21,750.00	30.0	-	-	-	-
Rian Cloete	Director	725	1.0	725.00	725.00	1.0	-	-	-	-	-	-
Charlotte Summers	Manager	580	33.0	19,140.00	1,160.00	2.0	17,400.00	30.0	580.00	1.0	-	-
Iris Miao	Consultant	350	33.0	11,550.00	700.00	2.0	10,500.00	30.0	350.00	1.0	-	-
Joshua Zhang	Consultant	350	2.0	350.00	350.00	2.0	-	-	-	-	-	-
Shreya Rajgarhia	Offshore Professional	250	12.0	3,000.00	-	-	2,500.00	10.0	500.00	2.0	-	-
Sonal Kumar	Administrative Support	230	4.0	920.00	-	-	-	-	460.00	2.0	460.00	2.0
Total			**163.0**	**95,960.00**	**13,785.00**	**21.0**	**75,775.00**	**129.0**	**5,940.00**	**11.0**	**460.00**	**2.0**
GST				9,596.00								
Total (Including GST)				**105,556.00**								
Average rate (excluding GST)				588.71	656.43		587.40		540.00		230.00	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A3

PF Group Holdings Pty Ltd – Table A3 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 13 February 2025 to execution of the Deed

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Andy Scott	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Jane Madden	Partner	825	1.0	825.00	825.00	1.00	-	-	-	-
Melissa Humann	Managing Director	750	8.0	6,000.00	2,250.00	3.0	1,500.00	2.0	2,250.00	3.0
Andy Collins	Director	725	7.0	5,075.00	1,450.00	2.0	1,450.00	2.0	2,175.00	3.0
Rian Cloete	Director	725	2.0	1,450.00	1,450.00	2.00	-	-	-	-
Charlotte Summers	Manager	580	10.0	5,800.00	2,900.00	5.0	1,160.00	2.0	1,740.00	3.0
Iris Miao	Consultant	350	10.0	3,500.00	1,750.00	5.0	700.00	2.0	1,050.00	3.0
Joshua Zhang	Consultant	350	5.0	1,750.00	1,750.00	5.00	-	-	-	-
Sonal Kumar	Administrative Support	230	4.0	920.00	-	-	460.00	2.0	460.00	2.0
Total			**51.0**	**28,620.00**	**15,675.00**	**27.0**	**5,270.00**	**10.0**	**7,675.00**	**14.0**
GST				2,862.00						
Total (Including GST)				**31,482.00**						
Average rate (excluding GST)				561.18	580.56		527.00		548.21	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A4

PF Group Holdings Pty Ltd – Table A4 – Deed of Company Arrangement – Calculation of Remuneration

Remuneration calculation for the period from execution of the Deed to the conclusion of the Deed

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	3.0	2,475.00	2,475.00	3.0	-	-	-	-
Andy Scott	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Jane Madden	Partner	825	3.0	2,475.00	2,475.00	3.0	-	-	-	-
Melissa Humann	Managing Director	750	8.0	6,000.00	2,250.00	3.0	1,500.00	2.0	2,250.00	3.0
Andy Collins	Director	725	7.0	5,075.00	3,625.00	5.0	1,450.00	2.0	-	-
Rian Cloete	Director	725	8.0	5,800.00	5,800.00	8.0	-	-	-	-
Charlotte Summers	Manager	580	10.0	5,800.00	1,160.00	2.0	2,900.00	5.0	1,740.00	3.0
Iris Miao	Consultant	350	9.0	3,150.00	700.00	2.0	1,750.00	5.0	700.00	2.0
Joshua Zhang	Consultant	350	16.0	5,600.00	5,600.00	16.0	-	-	-	-
Sonal Kumar	Administrative Support	230	3.0	690.00	-	-	230.00	1.0	460.00	2.0
Total			**69.0**	**38,715.00**	**25,735.00**	**44.0**	**7,830.00**	**15.0**	**5,150.00**	**10.0**
GST				3,871.50						
Total (Including GST)				**42,586.50**						
Average rate (excluding GST)				561.09	584.89		522.00		515.00	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A5

PF Group Holdings Pty Ltd – Table A5 – Liquidation – Calculation of Remuneration

Remuneration calculation for the period 13 February 2025 to the conclusion of liquidation

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration		Investigations	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	15.0	12,375.00	4,125.00	5.0	-	-	-	-	8,250.00	10.0
Derrick Vickers	Partner/Appointee	825	5.0	4,125.00	-	-	-	-	-	-	4,125.00	5.0
Stephen Longley	Partner/Appointee	825	5.0	4,125.00	-	-	-	-	-	-	4,125.00	5.0
Andy Scott	Partner/Appointee	825	15.0	12,375.00	4,125.00	5.0	-	-	-	-	8,250.00	10.0
Jane Madden	Partner	825	10.0	8,250.00	-	-	-	-	-	-	8,250.00	10.0
Melissa Humann	Managing Director	750	18.0	13,500.00	3,000.00	4.0	1,500.00	2.0	1,500.00	2.0	7,500.00	10.0
Andy Collins	Director	725	25.0	18,125.00	3,625.00	5.0	3,625.00	5.0	3,625.00	5.0	7,250.00	10.0
Rian Cloete	Director	725	20.0	14,500.00	-	-	-	-	-	-	14,500.00	20.0
Charlotte Summers	Manager	580	27.0	15,660.00	2,900.00	5.0	2,900.00	5.0	2,900.00	5.0	6,960.00	12.0
Iris Miao	Consultant	350	27.0	9,450.00	1,750.00	5.0	1,750.00	5.0	1,750.00	5.0	4,200.00	12.0
Joshua Zhang	Consultant	350	30.0	10,500.00	-	-	-	-	-	-	10,500.00	30.0
Sonal Kumar	Administrative Support	230	9.0	2,070.00	-	-	920.00	4.0	1,150.00	5.0	-	-
Total			**206.0**	**125,055.00**	**19,525.00**	**29.00**	**10,695.00**	**21.00**	**10,925.00**	**22.00**	**83,910.00**	**134.00**
GST				12,505.50								
Total (Including GST)				**137,560.50**								
Average rate (excluding GST)				607.06	673.28		509.29		496.59		626.19	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Appendix B Table of major tasks for remuneration

Schedule B1

Resolution 1

The below table provides a description of the work undertaken in each major task area for the period 26 June 2024 to 31 January 2025

Task Area	General description	Includes
Assets **68 hours** **$55,071**	Sale of Business as a Going Concern	Preparing Preparation of Sale process timeline Liaising with interested parties Preparation of and attendance to Data room and execution of non-disclosure agreements Internal meetings to discuss/review offers received Preparation of memos to record interactions and decisions
	Deed of Company Arrangement	Liaising with Directors in relation to potential DOCA Reviewing outcome of DOCA proposal Review and negotiation of DOCA term sheets
Creditors **135 hours** **$82,877.5**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via email and post
	Creditor reports	Preparing VA report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Secured creditor reporting	Notifying PPSA registered crediotrs of appointment Preparing reports to secured creditor
Employees **3 hours** **$1,701**	Employees enquiries (subsidiaries)	Receive and follow up employee enquiries via telephone Maintain employee enquiry files Review and prepare correspondence to employees and their representatives via facsimile, email and post

Task Area	General description	Includes
		Preparation of letters to employees advising of their entitlements Receive and prepare correspondence in response to employee's objections to leave entitlements
Trade On **7 hours** **$5,167**	Trade on/Subsidiary trade on Management	Liaising with management and staff regarding ongoing trading of Subsidiaries Monitoring trading performance Reviewing weekly performance reports
	Processing receipts and payments	Entering receipts and payments into accounting system
	Operational oversight of Subsidiaries	Meeting and corresponding with customers of Subsidiaries Regulatory and compliance issues Monitoring of ACCC and Consumer Affairs Victoria claims against Subsidiaries
Investigation **74 hours** **$50,250**	Conducting investigation	Collection of company books and records Reviewing company books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Review of specific transactions and liaising with directors, their legal advisers and Management regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Director Correspondence & ROCAP	Attend to letters and notices to Directors Attend to and approve extension for ROCAP return forms Review of ROCAP documents received from Directors Meetings with Directors and their legal representatives
	General Correspondence	Letters to Company Accountant Letters to Company's Solicitor Letters to Utilities Letters to Telecommunication companies
	Document maintenance / file review / checklist	Administration review Filing of documents File reviews Updating checklists

Task Area	General description	Includes
Administration **164 hours** **$103,856**	Insurance	Review and confirmation of adequacy of cover Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with Directors, Management and insurers regarding pre-appointment policies
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, DIRRI, etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing tax exit forms on sale of Subsidiaries
	Project management	Set up of project management workstreams Regular internal meetings and discussions regarding status and action items to progress various key workstreams across all aspects of the administration Regular calls and meetings with the subsidiary Directors regarding various aspects of the administration Updating project management task list and trackers

Schedule B2

Resolution 2

The below table provides a description of the work undertaken in each major task area for the period 1 February 2025 to 13 February 2025.

Task Area	General description	Includes
Assets **21 hours** **$13,785**	Deed of Company Arrangement	Liaising with Directors in relation to potential DOCA Review and negotiation of DOCA term sheets
	Sale of Business	Continuing advice on tax implications of sale transactions Fulfilment of remaining obligations under sale agreement
Creditors **129 hours** **$75,775**	Creditor Enquiries	Maintaining creditor enquiry files
	Secured creditor reporting	Regular verbal updates to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing second creditors report
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Responding to stakeholder queries and questions immediately following meeting
Trade On **2 hours** **$ 460**	Trade on Management	Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipts and payments into accounting system
Administration **11 hours** **$5,940**	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms

Schedule B3

Resolution 3

The below table provides a description of the work expected to be undertaken in each major task area for the period 13 February 2025 to execution of the Deed of Company Arrangement.

Task Area	General description	Includes
Assets **27 hours** **$15,675**	Deed of Company Arrangement	All tasks associated with executing the DOCA Liaising with the Deed Proponents and legal advisers.
	Sale of Business	Continuing advice on tax implications of sale transactions Fulfilment of remaining obligations under sale agreement
Creditors **10 hours** **$5,270**	Creditor Enquiries	Attending to Creditor enquires regarding the DOCA
Administration **14 hours** **$7,350**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA
	Planning/Review	Discussion regarding status of DOCA

Schedule B4

Resolution 4

The below table provides a description of the work expected to be undertaken in each major task area for the period from the execution of the Deed of Company Arrangement to conclusion of the Deed of Company Arrangement.

Task Area	General description	Includes
Assets **44 hours** **$25,735**	Sale of Business	All tasks associated with closing off workstream including data room access Completion of FY24 and FY25 tax returns
	Deed of Company Arrangement	Liaising with legal advisers regarding status of DOCA proposal Monitor status of conditions precedent to completion of the DOCA
Creditors **15 hours** **$7,830**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Secured creditor	Notification to secured creditors of outcome of meeting of creditors
	Creditor meeting	Finalise and lodge minutes of meeting of creditors
Administration **10 hours** **$5,150**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA Preparing BAS
	Planning/Review	Discussion regarding status of DOCA

Schedule B5

Resolution 5

The below table provides a description of the work undertaken in each major task area for the period 13 February 2025 to completion of the Liquidation.

Task Area	General description	Includes
Assets **29 hours** **$125,055**	Sale of Business as a Going Concern	All tasks associated with closing off workstream including data room access
	Tax	Advice on tax implications of sales transactions Conduct a thorough review of administrative processes Review Share Sale Deed Stamp duty advice relating to the transfer of delayed loans under the Gedda sale agreement
Creditors **21 hours** **$10,695.00**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Secured creditor	Notification to secured creditors of outcome of meeting of creditors
	Creditor meeting	Finalise and lodge minutes of meeting of creditors
Administration **22 hours** **$10,925**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA Preparing BAS
	Planning/Review	Discussion regarding status of DOCA
	Conducting investigation	Continue investigations to confirm whether there are potential claims arising from alleged claims asserted by directors Further reviews as necessary of company's books and records

Task Area	General description	Includes
Investigation **134 hours** **$83,910**		Review of specific transactions and liaising with directors regarding certain transactions Forensic searches of electronic records in relation to potential claims Preparation of a supplementary investigation file Seek legal input from solicitors in relation to investigations into potential claims Preparation and lodgement of supplementary report if required
	Director Correspondence	Prepare and issue further notices to directors seeking information in relation to claims Conduct further interviews of directors and former management (if necessary) Further investigations into the ability of the Directors to satisfy any potential claims (including the availability of and D&O policy to respond)
	Examinations (subject to funding)	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Recoveries (subject to funding)	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC

Appendix C Receipts and Payments

PF Group Holdings Pty Ltd (Administrators Appointed)
For the period 26 June 2024 to 31 January 2025

Receipts	Amount ($)
Other assets – Non-taxable	4,642,069
Interest received	190,608
Total Receipts	**4,823,586**
Payments	
Non circulating secured creditor	4,400,000
Total Payments	**4,400,000**
Cash at Bank	**423,586**

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PF Management Holdings Pty Ltd ACN 622 782 512 (Administrators Appointed)

Remuneration Approval Report

5 February 2025

Introduction

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.

You should read this report and the 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 meeting. The meeting 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 lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in this detailed report to creditors and in the notice of meeting of creditors.

Contents

1 Declaration

Adam Colley, Andrew Scott, Stephen Longley and Derrick Vickers of PricewaterhouseCoopers have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of PF Management Holdings Pty Ltd in accordance with the law and applicable professional standards. We are satisified that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

2 Executive Summary

To date, no remunration has been approved and paid.

This report details approval sought for our current and future remuneration and disbursements as set out in the table below. Please refer to report sections references detailed in the table for full details of the calculation and composition of the remuneration and disbursement approvals sought.

This remuneration report details approval sought for the following fees:

Remuneration approval sought (excluding GST):	Reference	Amount $ (ex GST)
Voluntary Administration		
Resolution 1: 26 June 2024 to 31 January 2025	A1	2,404,706
Resolution 2: 1 February 2025 to 13 February 2025	A2	95,960
Resolution 3: 13 February 2025 to DOCA execution	A3	28,620
Total VA Remuneration Sought		2,529,286
Deed of Company Arrangement		
Resolution 4: DOCA execution to completion of the DOCA	A4	38,715
Total DOCA Remuneration Sought		38,715
Liquidation (If applicable)		
Resolution 5: 13 February 2025 to completion of the liquidation	A5	125,055

*Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the external administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

No disbursements have been claimed or previously approved to date.

3 Remuneration

3.1 Resolution

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and attached schedules.

Resolution 1

That the remuneration of the Administrators is approved for the period 26 June 2024 to 31 January 2025 of $2,404,706 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 2

That the remuneration of the Administrators is approved for the period 1 February 2025 to 13 February 2025 of $95,960 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 3

That the future remuneration of the Administrators is approved for the period 13 February 2025 to the execution of the Deed of Company Arrangement up to a maximum of $28,620 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds immediately or as funds become available.

Resolution 4 (if applicable)

That the future remuneration of the Deed Administrators is approved from the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement up to a maximum of $38,715 plus GST as set out in the Remuneration Approval Report dated 5 February 2025 and may be drawn as incurred from available funds, or as funds become available.

Resolution 5 (if applicable)

That the future remuneration of the Liquidators is approved for the period 13 February 2025 to the conclusion of the Liquidation up to a maximum of $125,055 plus GST, as set out in the Remuneration Approval Report dated 5 February 2025 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration, deed administration or liquidation will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix A**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained in **Appendix B**.

3.3 Total remuneration reconciliation

The total remuneration for the administration period is within the range of costs provided in the Initial Remuneration Notice dated 28 June 2024, which estimated a cost of the administration of $2,000,000 - $3,000,000 (excluding GST).

In preparing this remuneration approval report, we have made our best estimate at what we believe the Deed Administration / Liquidation will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Deed Administration / Liquidation not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the Deed Administration / Liquidation include:

- Delays in the completion of the Conditions Precedent required to effectuate any Deed of Company Arrangement
- Delays in transitioning control of the Company in a Deed of Company Arrangement
- Investigations in the liquidation reveal further actions which should be taken
- Potential complex litigation associated with the pursuit of identified liquidator claims against various parties

3.4 Likely impact on dividends

The Corporations Act sets out the order for payment of claims against the Company and it provides for remuneration of the administrator / deed administrator / liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the administrator / deed administrator / liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted participating in any dividend, including any claims by priority creditors.

3.5 Remuneration recovered from external sources

The Joint and Several Administrators have not received any funding from external sources for their remuneration.

4 Disbursements

Disbursements are divided into three types:

- **Externally provided professional** services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs such as travel, accommodation and search fees** - these are recovered at cost.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the 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.

We are not required to seek creditor approval for costs paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. Details of these disbursements are included in the attached Summary of Receipts and Payments - **Appendix C**.

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We will not be seeking creditor approval to pay our disbursements from creditors.

4.1 Internal disbursement claim

No disbursements have been paid by the administration to our firm to date.

Where amounts will be paid to our firm for externally provided services and costs, that is in reimbursement of a cost previously paid by our firm either due to a lack of funds in the Administration at the time the payment was due or the direct invoicing of our firm by the supplier.

4.2 Future basis of internal disbursements

Future disbursements provided by our firm will be charged to the administration on the following basis:

Basis of disbursement claim

Disbursements	Rate (excl GST)
External professional services	At cost
External non-professional services	At cost

5 Summary of receipts and payments

The summary of receipts and payments for the period from 26 June 2024 to 31 January 2025 is contained in **Appendix C.**

6 Queries

Please contact by email to pfgroup@au.pwc.com should you have any further queries or require any further information regarding the email.

You can access additional information on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/

Appendices

Appendix A Calculation of remuneration schedules

Appendix B Table of major tasks for remuneration

Appendix C Receipts and Payments

Appendix A Calculation of remuneration schedules

Table A1

PF Management Holdings Pty Ltd – Table A1 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 26 June 2024 to 31 January 2025

Employee	Position	$/hours	Total Actual	Total	Assets		Creditors		Investigations		Administration		Employees		Trade on	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	461.90	381,067.50	301,785.00	365.80	20,212.50	24.50	4,372.50	5.30	26,730.00	32.40	-	-	27,967.50	33.90
Derrick Vickers	Partner/Appointee	825	39.30	32,422.50	1,650.00	2.00	-	-	-	-	19,965.00	24.20	-	-	10,807.50	13.10
Stephen Longley	Partner/Appointee	825	40.30	33,247.50	30,442.50	36.90	990.00	1.20	-	-	1,815.00	2.20	-	-	-	-
Andy Scott	Partner/Appointee	825	334.50	275,962.50	175,395.00	212.60	31,927.50	38.70	25,410.00	30.80	2,805.00	3.40	1,650.00	2.00	38,775.00	47.00
Kosta Kangelaris	Partner	825	79.80	65,835.00	65,835.00	79.80										
Jane Madden	Partner	825	25.60	21,120.00	21,120.00	25.60										
Rachael Cullen	Partner	825	4.00	3,300.00	3,300.00	4.00										
Melissa Humann	Managing Director	750	279.30	209,475.00	94,650.00	126.20	31,200.00	41.60	8,625.00	11.50	63,450.00	84.60	8,400.00	11.20	3,150.00	4.20
Martin Sisk	Managing Director	750	1.80	1,350.00	-	-	-	-	-	-	1,350.00	1.80	-	-	-	-
Andy Collins	Director	725	252.50	183,062.50	129,195.00	178.20	24,722.50	34.10	-	-	19,285.00	26.60	-	-	9,860.00	13.60
Nick Charlwood	Director	725	164.40	119,190.00	63,292.50	87.30	-	-	1,450.00	2.00	13,412.50	18.50	-	-	41,035.00	56.60
Jack Pell	Director	725	95.00	68,875.00	68,875.00	95.00										
Nick Voukelatos	Director	725	188.30	136,517.50	136,517.50	188.30										
Martin Koning	Director	725	2.70	1,957.50	1,957.50	2.70										
Anna Asimus	Director	725	28.00	20,300.00	20,300.00	28.00										
Rian Cloete	Director	725	157.70	114,332.50	114,332.50	157.70										
Jay Tremeer	Director	725	4.90	3,552.50	3,552.50	4.90										
Rachael Nyst	Director	725	0.80	580.00	580.00	0.80										
Sylvia Young	Senior Manager	640	3.50	2,240.00	-	-	-	-	-	-	2,240.00	3.50	-	-	-	-
Tom Girdwood	Senior Manager	640	127.90	81,856.00	1,152.00	1.80	33,344.00	52.10	27,136.00	42.40	16,064.00	25.10	1,728.00	2.70	2,432.00	3.80
Andy Collins	Senior Manager	640	109.40	70,016.00	38,272.00	59.80	9,152.00	14.30	1,984.00	3.10	8,768.00	13.70	1,600.00	2.50	10,240.00	16.00
Carolina Lynch	Senior Manager	640	10.00	6,400.00	6,400.00	10.00										
Shakib Parvez	Senior Manager	640	17.00	10,880.00	10,880.00	17.00										
Charlotte Summers	Manager	580	17.30	10,034.00	580.00	1.00	7,598.00	13.10	522.00	0.90	1,160.00	2.00	-	-	174.00	0.30
Michael Harris-Jaffe	Manager	580	123.80	71,804.00	32,828.00	56.60	4,350.00	7.50	9,918.00	17.10	13,630.00	23.50	-	-	11,078.00	19.10
Paige Perry	Manager	580	108.80	63,104.00	63,104.00	108.80										
Claire Cairns	Manager	580	14.00	8,120.00	8,120.00	14.00										
Felicity Rose	Manager	580	1.50	870.00	870.00	1.50										
Charlotte Summers	Senior Consultant	425	238.60	101,405.00	52,105.00	122.60	13,557.50	31.90	6,120.00	14.40	20,145.00	47.40	425.00	1.00	9,052.50	21.30
Steph Hird	Senior Consultant	425	27.00	11,475.00	212.50	0.50	6,800.00	16.00	-	-	4,462.50	10.50	-	-	-	-

Paige Perry	Senior Consultant	425	207.70	88,272.50	88,272.50	207.70										
Priyanka Badra	Senior Consultant	425	0.80	340.00	340.00	0.80										
Corné Foster	Senior Consultant	425	13.30	5,652.50	5,652.50	13.30										
Teresa Zhou	Consultant	350	0.40	140.00	-	-	140.00	0.40	-	-	-	-	-	-	-	-
John Azzi	Consultant	350	2.50	875.00	-	-	-	-	-	-	875.00	2.50	-	-	-	-
Iris Miao	Consultant	350	180.60	63,210.00	6,650.00	19.00	19,215.00	54.90	1,050.00	3.00	14,945.00	42.70	210.00	0.60	21,140.00	60.40
Janice Cheong	Consultant	350	9.30	3,255.00	-	-	2,275.00	6.50	-	-	-	-	-	-	980.00	2.80
Liam Formosa	Consultant	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monica Mercuri	Consultant	350	193.00	67,550.00	67,550.00	193.00										
Lewis Leong	Consultant	350	7.50	2,625.00	2,625.00	7.50										
Joshua Zhang	Consultant	350	147.70	51,695.00	51,695.00	147.70										
Anshu Agrawal	Offshore Professional	250	2.90	725.00	-	-	-	-	725.00	2.90	-	-	-	-	-	-
Shreya Rajgarhia	Offshore Professional	250	2.00	500.00	-	-	-	-	500.00	2.00	-	-	-	-	-	-
Mitesh Demblani	Offshore Professional	250	18.00	4,500.00	4,500.00	18.00										
Joseph Le	Administration support	230	3.90	897.00	-	-	-	-	-	-	897.00	3.90	-	-	-	-
Sonal Kumar	Administration support	230	14.60	3,358.00	-	-	-	-	-	-	3,358.00	14.60	-	-	-	-
Josie Conti	Administration support	230	2.40	552.00	-	-	-	-	-	-	552.00	2.40	-	-	-	-
Shashi Murthy	Administration support	230	0.90	207.00	-	-	-	-	-	-	207.00	0.90	-	-	-	-
Total			**3,767.10**	**2,404,705.50**	**1,674,589**	**2,596**	**205,484**	**337**	**87,813**	**135**	**236,116**	**386**	**14,013**	**20**	**186,692**	**292**
GST				240,470.55												
Total (Including GST)				**2,645,176.05**												
Average rate (excluding GST)				638.34	644.97		610.11		648.54		611.07		700.65		639.14	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A2

PF Management Holdings Pty Ltd – Table A2 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 1 February 2025 to 13 February 2025

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration		Trade on	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	13.0	10,725.00	1,650.00	2.0	8,250.00	10.0	825.00	1.0	-	-
Derrick Vickers	Partner/Appointee	825	1.0	825.00	-	-	-	-	825.00	1.0	-	-
Stephen Longley	Partner/Appointee	825	1.0	825.00	-	-	-	-	825.00	1.0	-	-
Andy Scott	Partner/Appointee	825	18.0	14,850.00	1,650.00	2.0	12,375.00	15.0	825.00	1.0	-	-
Jane Madden	Partner	825	1.0	825.00	825.00	1.0	-	-	-	-	-	-
Melissa Humann	Managing Director	750	13.0	9,750.00	6,000.00	8.0	3,000.00	4.0	750.00	1.0	-	-
Andy Collins	Director	725	31.0	22,475.00	725.00	1.0	21,750.00	30.0	-	-	-	-
Rian Cloete	Director	725	1.0	725.00	725.00	1.0	-	-	-	-	-	-
Charlotte Summers	Manager	580	33.0	19,140.00	1,160.00	2.0	17,400.00	30.0	580.00	1.0	-	-
Iris Miao	Consultant	350	33.0	11,550.00	700.00	2.0	10,500.00	30.0	350.00	1.0	-	-
Joshua Zhang	Consultant	350	2.0	350.00	350.00	2.0	-	-	-	-	-	-
Shreya Rajgarhia	Offshore Professional	250	12.0	3,000.00	-	-	2,500.00	10.0	500.00	2.0	-	-
Sonal Kumar	Administrative Support	230	4.0	920.00	-	-	-	-	460.00	2.0	460.00	2.0
Total			**163.0**	**95,960.00**	**13,785.00**	**21.0**	**75,775.00**	**129.0**	**5,940.00**	**11.0**	**460.00**	**2.0**
GST				9,596.00								
Total (Including GST)				**105,556.00**								
Average rate (excluding GST)				588.71	656.43		587.40		540.00		230.00	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A3

PF Management Holdings Pty Ltd – Table A3 – Voluntary Administration – Calculation of Remuneration

Remuneration calculation for the period 13 February 2025 to execution of the Deed

Employee	**Position**	**$/hours**	**Total**	**Total**	**Assets**		**Creditors**		**Administration**	
		(Ex GST)	**Hrs**	**$**	**$**	**Hrs**	**$**	**Hrs**	**$**	**Hrs**
Adam Colley	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Andy Scott	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Jane Madden	Partner	825	1.0	825.00	825.00	1.00	-	-	-	-
Melissa Humann	Managing Director	750	8.0	6,000.00	2,250.00	3.0	1,500.00	2.0	2,250.00	3.0
Andy Collins	Director	725	7.0	5,075.00	1,450.00	2.0	1,450.00	2.0	2,175.00	3.0
Rian Cloete	Director	725	2.0	1,450.00	1,450.00	2.00	-	-	-	-
Charlotte Summers	Manager	580	10.0	5,800.00	2,900.00	5.0	1,160.00	2.0	1,740.00	3.0
Iris Miao	Consultant	350	10.0	3,500.00	1,750.00	5.0	700.00	2.0	1,050.00	3.0
Joshua Zhang	Consultant	350	5.0	1,750.00	1,750.00	5.00	-	-	-	-
Sonal Kumar	Administrative Support	230	4.0	920.00	-	-	460.00	2.0	460.00	2.0
Total			**51.0**	**28,620.00**	**15,675.00**	**27.0**	**5,270.00**	**10.0**	**7,675.00**	**14.0**
GST				2,862.00						
Total (Including GST)				**31,482.00**						
Average rate (excluding GST)				561.18	580.56		527.00		548.21	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A4

PF Management Holdings Pty Ltd – Table A4 – Deed of Company Arrangement – Calculation of Remuneration

Remuneration calculation for the period from execution of the Deed to the conclusion of the Deed

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	3.0	2,475.00	2,475.00	3.0	-	-	-	-
Andy Scott	Partner/Appointee	825	2.0	1,650.00	1,650.00	2.0	-	-	-	-
Jane Madden	Partner	825	3.0	2,475.00	2,475.00	3.0	-	-	-	-
Melissa Humann	Managing Director	750	8.0	6,000.00	2,250.00	3.0	1,500.00	2.0	2,250.00	3.0
Andy Collins	Director	725	7.0	5,075.00	3,625.00	5.0	1,450.00	2.0	-	-
Rian Cloete	Director	725	8.0	5,800.00	5,800.00	8.0	-	-	-	-
Charlotte Summers	Manager	580	10.0	5,800.00	1,160.00	2.0	2,900.00	5.0	1,740.00	3.0
Iris Miao	Consultant	350	9.0	3,150.00	700.00	2.0	1,750.00	5.0	700.00	2.0
Joshua Zhang	Consultant	350	16.0	5,600.00	5,600.00	16.0	-	-	-	-
Sonal Kumar	Administrative Support	230	3.0	690.00	-	-	230.00	1.0	460.00	2.0
Total			**69.0**	**38,715.00**	**25,735.00**	**44.0**	**7,830.00**	**15.0**	**5,150.00**	**10.0**
GST				3,871.50						
Total (Including GST)				**42,586.50**						
Average rate (excluding GST)				561.09	584.89		522.00		515.00	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Table A5

PF Management Holdings Pty Ltd – Table A5 – Liquidation – Calculation of Remuneration

Remuneration calculation for the period 13 February 2025 to the conclusion of liquidation

Employee	Position	$/hours	Total	Total	Assets		Creditors		Administration		Investigations	
		(Ex GST)	Hrs	$	$	Hrs	$	Hrs	$	Hrs	$	Hrs
Adam Colley	Partner/Appointee	825	15.0	12,375.00	4,125.00	5.0	-	-	-	-	8,250.00	10.0
Derrick Vickers	Partner/Appointee	825	5.0	4,125.00	-	-	-	-	-	-	4,125.00	5.0
Stephen Longley	Partner/Appointee	825	5.0	4,125.00	-	-	-	-	-	-	4,125.00	5.0
Andy Scott	Partner/Appointee	825	15.0	12,375.00	4,125.00	5.0	-	-	-	-	8,250.00	10.0
Jane Madden	Partner	825	10.0	8,250.00	-	-	-	-	-	-	8,250.00	10.0
Melissa Humann	Managing Director	750	18.0	13,500.00	3,000.00	4.0	1,500.00	2.0	1,500.00	2.0	7,500.00	10.0
Andy Collins	Director	725	25.0	18,125.00	3,625.00	5.0	3,625.00	5.0	3,625.00	5.0	7,250.00	10.0
Rian Cloete	Director	725	20.0	14,500.00	-	-	-	-	-	-	14,500.00	20.0
Charlotte Summers	Manager	580	27.0	15,660.00	2,900.00	5.0	2,900.00	5.0	2,900.00	5.0	6,960.00	12.0
Iris Miao	Consultant	350	27.0	9,450.00	1,750.00	5.0	1,750.00	5.0	1,750.00	5.0	4,200.00	12.0
Joshua Zhang	Consultant	350	30.0	10,500.00	-	-	-	-	-	-	10,500.00	30.0
Sonal Kumar	Administrative Support	230	9.0	2,070.00	-	-	920.00	4.0	1,150.00	5.0	-	-
Total			**206.0**	**125,055.00**	**19,525.00**	**29.00**	**10,695.00**	**21.00**	**10,925.00**	**22.00**	**83,910.00**	**134.00**
GST				12,505.50								
Total (Including GST)				**137,560.50**								
Average rate (excluding GST)				607.06	673.28		509.29		496.59		626.19	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets

Appendix B Table of major tasks for remuneration

Schedule B1

Resolution 1

The below table provides a description of the work undertaken in each major task area for the period 26 June 2024 to 31 January 2025.

Task Area	General description	Includes
Assets **2,596 hours** **$1,674,589**	Sale of Business	Preparation of Sale process timeline Preparation of financial due diligence materials Modelling forecast financial performance Test financial scenarios and outcomes Input to sale financial model and review financial forecast outputs Dealings with Grant Samual Liaising with interested parties Preparation of and attendance to Data room and execution of non-disclosure agreements Internal meetings to discuss/review offers received Facilitate discussions to reach favourable terms Finalise legal and financial aspects of the sale Consider tax implications of sales transactions Stamp duty advice relating to the transfer of delayed loans under the Gedda sale agreement Conduct a thorough review of administrative processes Agree share sale deeds including structuring the locked box mechanism Preparation of memos to record interactions and decisions
	Other Assets	Tasks associated with realising the tax loss carry back refunds
	Deed of Company Arrangement	Liaising with Directors in relation to potential DOCA Review and negotiation of DOCA term sheet Assess outcome of DOCA proposal
Creditors **337 hours** **$205,484**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via email and post Correspondence with contingent creditors with potential claims under the DXG
	Secured creditor reporting	Notifying PPSA registered creditors of appointment Preparing reports to secured creditor Regular verbal updates to secured creditor

Task Area	General description	Includes
		Responding to secured creditor's queries
	Creditor reports	Preparing VA report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Review of contingent creditor claim
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Employees **20 hours** **$14,013**	Employees enquiries	Receive and follow up subsidiary employee enquiries Maintain subsidiary employee enquiry files Review and prepare correspondence and FAQ document for the benefit of subsidiary employees and their representatives
Trade On **292 hours** **$186,692**	Trade on/Subsidiary trade on Management	Liaising with management and staff regarding ongoing trading of Subsidiaries Monitoring trading performance Reviewing weekly performance reports
	Processing receipts and payments	Entering receipts and payments into accounting system
	Operational oversight of Subsidiaries	Meeting and corresponding with customers of Subsidiaries Regulatory and compliance issues Monitoring of ACCC and Consumer Affairs Victoria claims against Subsidiaries
Investigation **135 hours** **$87,813**	Conducting investigation	Collection of company books and records Reviewing company books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Review of specific transactions and liaising with directors, their legal advisers and Management regarding certain transactions

Task Area	General description	Includes
		Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	Director Correspondence & ROCAP	Attend to letters and notices to Directors Attend to and approve extension for ROCAP return forms Review of ROCAP documents received from Directors Meetings with Directors and their legal representatives
Administration **386 hours** **$236,116**	General Correspondence	Letters to Company Accountant Letters to Company's Solicitor Letters to Utilities Letters to Telecommunication companies
	Document maintenance / file review / checklist	Administration review Filing of documents File reviews Updating checklists
	Insurance	Review and confirmation of adequacy of cover Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with Directors, Management and insurers regarding pre-appointment policies
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, DIRRI, etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing tax exit forms on sale of Subsidiaries
	Project management	Set up of project management workstreams Regular internal meetings and discussions regarding status and action items to progress various key workstreams across all aspects of the administration Regular calls and meetings with the subsidiary Directors regarding various aspects of the administration Updating project management task list and trackers

Schedule B2

Resolution 2

The below table provides a description of the work undertaken or expected to be undertaken in each major task area for the period 1 February 2025 to 13 February 2025.

Task Area	General description	Includes
Assets **21 hours** **$13,785**	Deed of Company Arrangement	Liaising with Directors in relation to potential DOCA Review and negotiation of DOCA term sheets
	Sale of Business	Continuing advice on tax implications of sale transactions Fulfilment of remaining obligations under sale agreement
Creditors **129 hours** **$75,775**	Creditor Enquiries	Maintaining creditor enquiry files
	Secured creditor reporting	Regular verbal updates to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing second creditors report
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Responding to stakeholder queries and questions immediately following meeting
Trade On **2 hours** **$ 460**	Trade on Management	Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipts and payments into accounting system
Administration **11 hours** **$5,940**	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms

Schedule B3

Resolution 3

The below table provides a description of the work expected to be undertaken in each major task area for the period 13 February 2025 to execution of the Deed of Company Arrangement.

Task Area	General description	Includes
Assets **27 hours** **$15,675**	Deed of Company Arrangement	All tasks associated with executing the DOCA Liaising with the Deed Proponents and legal advisers.
	Sale of Business	Continuing advice on tax implications of sale transactions Fulfilment of remaining obligations under sale agreement
Creditors **10 hours** **$5,270**	Creditor Enquiries	Attending to Creditor enquires regarding the DOCA
Administration **14 hours** **$7,350**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA
	Planning/Review	Discussion regarding status of DOCA

Schedule B4

Resolution 4

The below table provides a description of the work expected to be undertaken in each major task area for the period from the execution of the Deed of Company Arrangement to conclusion of the Deed of Company Arrangement.

Task Area	General description	Includes
Assets **44 hours** **$25,735**	Sale of Business	All tasks associated with closing off workstream including data room access Completion of FY24 and FY25 tax returns
	Deed of Company Arrangement	Liaising with legal advisers regarding status of DOCA proposal Monitor status of conditions precedent to completion of the DOCA
Creditors **15 hours** **$7,830**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Secured creditor	Notification to secured creditors of outcome of meeting of creditors
	Creditor meeting	Finalise and lodge minutes of meeting of creditors
Administration **10 hours** **$5,150**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA Preparing BAS
	Planning/Review	Discussion regarding status of DOCA

Schedule B5

Resolution 5

The below table provides a description of the work undertaken in each major task area for the period 13 February 2025 to completion of the Liquidation.

Task Area	General description	Includes
Assets **29 hours** **$125,055**	Sale of Business as a Going Concern	All tasks associated with closing off workstream including data room access
	Tax	Advice on tax implications of sales transactions Conduct a thorough review of administrative processes Review Share Sale Deed Stamp duty advice relating to the transfer of delayed loans under the Gedda sale agreement
Creditors **21 hours** **$10,695.00**	Creditor Enquiries	Deal with creditor enquiries Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Secured creditor	Notification to secured creditors of outcome of meeting of creditors
	Creditor meeting	Finalise and lodge minutes of meeting of creditors
Administration **22 hours** **$10,925**	Correspondence	Preparation of general correspondence regarding outcome of meeting of creditors
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements Notify insurer of outcome of meeting and impact of DOCA on external administrators' risk profile and exposure
	Bank account administration	Bank account reconciliations
	ASIC Forms and lodgements	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Notification of appointment - DOCA Preparing BAS
	Planning/Review	Discussion regarding status of DOCA
	Conducting investigation	Continue investigations to confirm whether there are potential claims arising from alleged claims asserted by directors Further reviews as necessary of company's books and records

Task Area	General description	Includes
		Review of specific transactions and liaising with directors regarding certain transactions Forensic searches of electronic records in relation to potential claims Preparation of a supplementary investigation file Seek legal input from solicitors in relation to investigations into potential claims Preparation and lodgement of supplementary report if required
Investigation **134 hours** **$83,910**	Director Correspondence	Prepare and issue further notices to directors seeking information in relation to claims Conduct further interviews of directors and former management (if necessary) Further investigations into the ability of the Directors to satisfy any potential claims (including the availability of and D&O policy to respond)
	Examinations (subject to funding)	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Recoveries (subject to funding)	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC

Appendix C Receipts and Payments

PF Management Holdings Pty Ltd (Administrators Appointed)
For the period 26 June 2024 to 31 January 2025

Receipts	Amount ($)
Intercompany loans	6,358,423
Investments & shares	25,387,247
Interest received	41,283
Total Receipts	**31,786,953**
Payments	
Advertising - Assets of business for sale	7,870
Asset realisation costs (Taxable)	140,521
Insurance - Stamp Duty	297
Insurance premium (Taxable)	5,775
Legal fees (Taxable)	1,636,261
Legal fees (Non taxable)	6,784
Other professional fees (Taxable)	7,353
Valuation fees (Taxable)	110,000
Non circulating secured creditor	26,487,247
Total Payments	**28,402,108**
Cash at Bank	**3,384,845**

Appendix E – Information sheets

Voluntary Administration Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

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.

Appendix F – Proposal for a DOCA

5 February 2025

PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT

1. DEED PROPONENT(S)

HJK Investments Pty Ltd (ACN 147 599 308) as trustee for HJK Investments Trust (**HJK Investments**); and

HMB Investments Pty Ltd (ACN 147 599 344) as trustee for the HMB Investments Trust (**HBM Investments**),

together, the "**Proponents**".

2. PROPOSAL FOR A DOCA

The Proponents propose the following Deed of Company Arrangement (**DOCA**) for the following entities:

- PF Group Holdings Pty Ltd (ACN 622 776 765) (Administrators Appointed) (**PF Group Holdings**); and
- PF Management Holdings Pty Ltd (ACN 622 782 512) (Administrators Appointed) (**PF Management Holdings**),

collectively, the "**Group**".

2.1 DOCA Purpose

2.1.1 The purpose of this proposal is to articulate the material terms of the DOCA that the Proponents propose in respect of each Group company and which the Proponents request the Administrators present to the meetings of creditors of each Group company to be held pursuant to Part 5.3A of the Act.

2.1.2 The proposed DOCA for the Group is intended to satisfy the objectives of Part 5.3A of the Act, including to maximise the chances of each Group company, or as much as possible of their operations, continuing in existence, or to achieve better outcomes for each Group company, compared to the expected outcome were the Group companies to be immediately wound up and assets liquidated.

2.2 DOCA Overview

Under the DOCA Proposal:

2.2.1 Adam Colley and Andrew Scott are to be the deed administrators of the DOCA (**Deed Administrators**). Adam Colley, Andrew Scott, Stephen Longley and Derrick Vickers are presently the voluntary administrators of the Group (**Administrators**).

2.2.2 The Deed Administrators will establish a Deed Fund to receive the contribution pursuant to this proposal.

2.2.3 The property of each Group company to be available for distribution to Creditors consists of the Deed Fund (as defined below).

2.2.4 The Deed Fund will consist of the following property:

(a) all of the assets of PF Group Holdings and PF Management Holdings, including the entire cash at bank in the voluntary administrators' accounts, as at the date the DOCA is executed by all parties to it (**Commencement Date**); and

(b) $52,636 by way of deed contribution by the Proponent ("**Deed Contribution**"),

(together, the "**Deed Fund**").

2.2.5 The Proponents shall pay a non-refundable deposit of $25,000 to the Administrators' administration account, in cleared funds, within 3 business days of the date of this term sheet which:

(a) shall be applied in reduction of the Deed Contribution payable by the Proponents; and

(b) shall be used to meet the remuneration, costs and expenses of the Administrators and Deed Administrators in respect of the preparation, negotiation and execution of this term sheet and any DOCA.

2.2.6 The Proponents shall pay the balance of the Deed Contribution (being $27,636) to the Deed Administrators within 2 business days of the Deed Fund being established.

2.2.7 The Group shall be under the control of the Deed Administrators until effectuation of the DOCA, and directors' powers shall remain suspended.

2.2.8 The moratorium in place pursuant to sections 440A, 440D, 440F and 444E of the Act will continue in respect of the Group for so long as the DOCA remains on foot.

2.2.9 Upon satisfaction or waiver of the Conditions Precedent (refer below), the DOCA will effectuate and the Deed Fund will be made available to the Group's Creditors.

2.2.10 The sunset date shall occur on the day that is 8 weeks after the Commencement Date (**Sunset Date**). The Deed Administrators may, with the consent of BSI PF Lender LP (**BSIPFL**) and the Proponents, not to be unreasonably withheld, extend the Sunset Date as they see fit by written notice to all other parties to the DOCA (but such extension shall not exceed 12 months from the Commencement Date).

2.2.11 Upon effectuation of the DOCA, the control and operations of the Group will transfer to the Proponents.

2.2.12 Upon effectuation of the DOCA, the ongoing obligations of the Group under the Gedda Share Sale Deed dated 16 October 2024 (**Gedda SSD**) and the Francom Share Sale Deed dated 4 December 2024 (**Francom SSD**) relating to the reimbursement of costs to the Buyer (as defined and in respect of each of the Gedda SSD and Francom SSD respectively) for meeting access to books and records requests (pursuant to Francom SSD cl 8.1(c) and Gedda SSD cl 9.1(c)), shall be the sole responsibility of PF Management Holdings and the Proponents.

2.2.13 The DOCA shall terminate if:

(a) it achieves its purpose and is wholly satisfied and effectuated;

(b) any Condition Precedent is not satisfied or waived by the Sunset Date;

(c) the Proponents fail to comply with any material provisions of the DOCA; or

(d) it is terminated by an order of the court under section 445D of the Act or by resolution of Creditors at a meeting convened in accordance with the Act, for that purpose.

2.2.14 This proposal and any DOCA is governed by the laws of the State of Queensland.

2.2.15 Except to the extent that they are inconsistent with the terms of the DOCA, the provisions of Schedule 8A of the Regulations will apply to the DOCA.

2.3 **Conditions Precedent**

2.3.1 The following are the Conditions Precedent to the completion / effectuation of the DOCA:

(a) The DOCA must be executed by all parties to it.

(b) The Deed Contribution must be paid in full.

(c) The Deed Administrators shall confirm that all contractual obligations of PF Management Holdings under: (1) the Gedda SSD; (2) the Francom SSD; and (3) any transaction documents relating to the above, have been met as at the time of effectuation of the DOCA.

(d) BSIPFL:

(i) consents, in their sole and unfettered discretion, to the terms of DOCA and the Settlement Deed and any other documents to be entered into in connection with the DOCA;

(ii) does not vote against the DOCA;

(iii) consents, in writing, to the release of its security over the Group and secured obligations over the Group to be effective on the satisfaction of the following conditions:

(A) the effectuation of the DOCA; and

(B) the Settlement Deed becoming effective.

(e) A deed of settlement and release be executed, with effect from effectuation of the DOCA, with mutual releases given between:

(i) BSI PF Lender LP (and its affiliates / related entities) on the one hand and the Group (and its affiliates / related entities), Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the other hand;

(ii) The Administrators and Deed Administrators (and their affiliates / related entities) on the one hand and the Group (and its affiliates / related entities), Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the other hand; and

(iii) Jamie Hough (and his affiliates / related entities) and Mathew Hough (and his affiliates / related entities) on the one hand and the Group (and its affiliates / related entities) on the other hand,

(the **Settlement Deed**).

2.3.2 The conditions precedent must be completed to the satisfaction of the Deed Administrators and the Proponents (acting reasonably). The Deed Administrators and the Proponents may agree to waive any of the above conditions precedent in writing at any time, other than the conditions precedent in clause 2.3.1(d), which must also be waived by BSIPFL, in its sole and unfettered discretion. The parties agree to use their best endeavours, and do all things necessary and desirable, to complete the conditions precedent referred to above and to give effect to the terms of this proposal and the DOCA.

2.4 Distribution Waterfall

The Deed Fund will be distributed by the Deed Administrators in the following order of priority:

(a) first, in payment of the remuneration, costs and expenses of the Administrators incurred during the course of the voluntary administrations of PF Group Holdings and PF Management Holdings;

(b) second, in payment of the remuneration, costs and expenses of the Deed Administrators;

(c) third, in payment of claims of eligible employee creditors in accordance with the priorities in section 556 of the *Corporations Act 2001* (Cth) (if any);

(d) fourth, to the Australian Securities and Investments Commission (i.e. ASIC) in the amount of $2,636;

(e) fifth, in payment of BSIPFL's secured debt; and

(f) finally, in payment of unsecured Creditors' claims on a pari-passu basis.

2.5 **DOCA Effectuation**

Within 5 Business Days after the date on which all the Conditions Precedent are satisfied or waived, the DOCA provides for the following steps to be taken:

(a) the Deed Fund shall be distributed in accordance with the distribution waterfall referred to in paragraph 2.4 above;

(b) the Deed Administrators shall provide reasonable assistance in correcting the ASIC records of PF Group Holdings and PF Management Holdings to show Jamie Hough and Mathew Hough as the current directors of those companies; and

(c) upon the distribution of the Deed Fund, and the claims of all Creditors of PF Group Holdings and PF Management Holdings will be released, discharged and extinguished in full.

2.6 **Definitions**

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

2.6.2 "**Creditors**" means all secured and unsecured creditors of each Group company as at 26 June 2024.

2.6.3 "**the Regulations**" means the *Corporations Regulations 2001* (Cth).

Executed as a Deed Poll by:

HJK Investments

Executed by **HJK Investments Pty Ltd (ACN 147 599 308)** **(as trustee for HJK Investments Trust)** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of Sole Director / Secretary

Jamie Grant Hough

Name of Director / Secretary

Executed by **HMB Investments Pty Ltd (ACN 147 599 344)** **(as trustee for the HMB Investments Trust)** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of Sole Director / Secretary

Mathew David Hough

Name of Sole Director / Secretary