

Market Release

18 August 2023

ASX/Media Release (ASX: COO)

Notice of Extraordinary General Meeting and Proxy Form

In accordance with Listing Rule 3.17, Corum Group Limited (Corum or the Company) attaches a copy of the following documents:

1. Letter to Shareholders regarding arrangements for the Extraordinary General Meeting as sent to Shareholders in lieu of Notice of Meeting;
2. Notice of Extraordinary General Meeting;
3. Virtual Meeting and Online Proxy Lodgment User Guides; and
4. Proxy Form.

- ENDS -

This announcement is authorised for release by the Executive Chair of Corum Group Limited.

For further information contact:

Nick England, Executive Chairman

Investor email: Investor.Relations@corum.com.au

INVITATION TO CORUM GROUP LIMITED'S EXTRAORDINARY GENERAL MEETING

Dear Shareholder,

I am pleased to invite you to attend an Extraordinary General Meeting ('the Meeting') of Corum Group Limited, to be held on Wednesday **20 September 2023, commencing at 10.00am (AEST)**.

The meeting will be held online and in person at the offices of the company's share registry: Automic Registry Services, Level 5, 126 Phillip Street, Sydney, NSW 2000.

You may pre-register for the Meeting at an online platform provided by our share registry, Automic, at

https://us02web.zoom.us/webinar/register/WN_-62rpAWfRX6DhIDECncbLw.

In order to vote online you will need to login to or register on the Automic shareholder platform as described in the registration and voting guides provided. To facilitate the smooth running of the meeting we encourage you to login in advance of the meeting. The Meeting will commence at 10.00am (AEST) and you will be able to register your online attendance from 30 minutes prior to the scheduled start time.

In accordance with section 110D Corporations Act 2002 we will not be sending you a hard copy of the Notice of Meeting or Proxy Form by post ahead of the Meeting. Instead you are able to view and download a copy of the Notice of Meeting and Proxy Form from our website <https://www.corumgroup.com.au/investors> or via the ASX announcements platform.

Also available on our website and attached below will be all the information you need to attend the Meeting, including access to the Notice of Meeting, which includes details on how to use the online facility and instructions on how to vote and ask questions ahead of and at the meeting.

For further information on the live voting process please see the Virtual Meeting Registration and Voting Guide included in the Notice of Meeting or at <https://www.automicgroup.com.au/virtual-agms/>.

We would like to make you aware, if you are not already, of recent changes to the Corporations Act 2001 (Cth) (Corporations Act) to facilitate electronic communications with shareholders.

The Corporations Amendment (Meetings and Documents) Act 2022 (Amendment Act) includes a new requirement for public companies and listed companies to give shareholders notice of their right to elect to be sent documents electronically or physically by the company in section 110K of the Corporations Act (Notice). Corum has fulfilled this new requirement by making a Notice available on our website at <https://www.corumgroup.com.au/investors>.

Please exercise your opportunity to vote on these important matters. The Directors recommend that Shareholders vote in favour of all resolutions and the Chairman intends to vote all available proxies in favour of Resolutions 1 and 2.

If you are unable to attend the Meeting, I encourage you to participate by completing the enclosed Appointment of Proxy Form and lodging it in the manner outlined in the Notice of Meeting.

How to ask questions

Shareholders will be given an opportunity to ask questions at the Meeting, however we welcome questions from Shareholders before the meeting. Questions should be directed to the Company via email to companysecretary@corum.com.au by Wednesday 13 September 2023. Questions should relate to matters relevant to the business of the Meeting.

We look forward to your participation in the Meeting.



Nick England

Chairman

Notice of Extraordinary General Meeting and Explanatory Memorandum

Date of Meeting: Wednesday, 20 September 2023

Time of Meeting: 10am Sydney time

Place of Meeting: The meeting will be held online and in person at the offices of the company's share registry: Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000

This Notice of Extraordinary General Meeting, Explanatory Memorandum and accompanying Independent Expert Report should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

All Shareholders will have an opportunity to participate in the meeting by the following means:

- Shareholders have the ability to ask questions in advance of the meeting by sending their questions by 5:00pm (Sydney time) Wednesday 13 September 2023 to companysecretary@corum.com.au
- The meeting will be a live webcast and Shareholders will be able to submit questions and vote in real time via an online platform provided by our share registry, Automic.

Shareholders will be required to log in and pre-register for the meeting at:

https://us02web.zoom.us/webinar/register/WN_-62rpAWfRX6DhIDECncbLw

A Virtual Meeting Guide and Online Proxy Voting Guide can be found in the attachments to this document.

Notice of Extraordinary General Meeting

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of Shareholders of **Corum Group Limited** ABN 25 000 091 305 (**Company**) will be held at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 on 20 September 2023 at 10am Sydney time.

Terms used in this Notice of Meeting are defined in section 5 of the accompanying Explanatory Memorandum.

The Explanatory Memorandum, the Proxy Form and the Independent Expert Report accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

A copy of this Notice of Meeting and its accompanying documents have been provided to the ASX. The ASX takes no responsibility for the contents of this Notice of Meeting or its accompanying documents.

Agenda

The agenda for the meeting is as follows:

1. Opening of meeting
2. Resolution 1 – **Approval of sale transaction:** Approval of transaction with Jonas Software AUS Pty Ltd as contemplated in the Share Sale Agreement.
3. Resolution 2 – **Change of Company name:** Change of company name to PharmX Technologies Limited, which will be put to Shareholders subject to, and conditional on, 50% or more of the votes cast on Resolution 1 (Approval of sale transaction) being cast in favour of Resolution 1.
4. Other business
5. Close of meeting

Notice of Extraordinary General Meeting

Resolution 1 – Approval of transaction with Jonas Software AUS Pty Ltd as contemplated in the Share Sale Agreement

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

*“That for all purposes, including Chapter 11 of the Listing Rules, with effect from the passing of this Resolution 1, approval is given for the sale of 100% of the issued share capital in Corum Health Pty Ltd and Amfac Pty Ltd, each a wholly owned subsidiary of the Company, to Jonas Software AUS Pty Ltd (the **Acquirer**) for the Consideration (the **Proposed Transaction**) pursuant to the terms and conditions of the Share Sale Agreement entered into on 20 July 2023 as summarised in the Explanatory Statement.”*

Each of the Directors of the Company confirm that they do not have a material interest in the outcome of this Resolution 1. Each of the Directors of the Company also confirm that they do not hold an interest in any Excluded Person (as defined in the Voting Exclusion Statement in this Resolution 1).

Recommendation

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 1.

The Chairman of the Meeting intends to vote all available proxies IN FAVOUR of Resolution 1.

Notes

Further details regarding the Proposed Transaction are set out in the accompanying Explanatory Memorandum and Independent Expert Report which the Directors recommend Shareholders read in full before making any decision in relation to Resolution 1.

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of the Acquirer for the purposes of the Proposed Transaction and any other person who will obtain a material benefit as a result of the Proposed Transaction (save for a benefit obtained solely by way of being a Shareholder in the Company) or any associates of such person, including:

- (a) Jonas Software AUS Pty Ltd;
- (b) any Associate of Jonas Software AUS Pty Ltd.

(Excluded persons).

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions to the proxy or attorney to vote on the Resolution in that way;
- (b) the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the chair to vote as the chair decides; or
- (c) a holder acting solely as a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

Notice of Extraordinary General Meeting

- | | |
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| <p>(i)</p> <p>(ii)</p> | <p>the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the Resolution; and</p> <p>the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p> |
|------------------------|---|

Resolution 2 – Change of company name

To consider and, if thought fit, pass the following Resolution, as a special resolution of the Company, which will be put to Shareholders subject to, and conditional on 50% or more of the votes cast on Resolution 1 (Approval of sale transaction) being cast in favour of Resolution 1:

“That, subject to the passing of Resolution 1 and the closing of the Proposed Transaction in accordance with the Share Sale Agreement, in accordance with sections 157 and 136(2) of the Corporations Act and for all other purposes, the name of the Company be changed to PharmX Technologies Limited, and all references to the Company’s name in the Constitution be replaced with references to PharmX Technologies Limited, with effect from the date that ASIC alters the details of the Company’s registration.”

If less than 50% of the votes validly cast against Resolution 1 are in favour of the Proposed Transaction, this Resolution 2 will not be put to the Meeting.

Recommendation

In the event that Resolution 2 is put to the vote at the Meeting, the Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 2.

The Chairman of the Meeting intends to vote all available proxies IN FAVOUR of Resolution 2.

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution.

Voting by Proxy

Instructions relating to voting by proxy are outlined in the Proxy Form at the end of this document.

Voting online

The meeting will be a live webcast and Shareholders will be able to vote in real time via the online platform available at https://us02web.zoom.us/webinar/register/WN_-62rpAWfRX6DhIDECncbLw.

Voting in person

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

By order of the Board

Eryl Baron
Company Secretary
Corum Group Limited

Dated: 18 August 2023

Explanatory Memorandum

1 Introduction

This Explanatory Memorandum is provided to shareholders of Corum Group Limited ABN 25 000 091 305 (**Company**) to explain the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at the offices of Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 on 20 September 2023 at 10am Sydney time and online via https://us02web.zoom.us/webinar/register/WN_-62rpAWfRX6DhIDECncbLw.

The Notice of Meeting sets out details of proposals concerning the Resolutions to be put to Shareholders. This Explanatory Statement forms part of the Notice of Meeting and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Extraordinary General Meeting (**Meeting**), as outlined in Resolution 1.

The Independent Expert Report by RSM Corporate Australia Pty Ltd (Independent Expert Report) in Annexure A, has concluded that the Proposed Transaction is, in the absence of a superior proposal, fair and reasonable to the Shareholders.

Nonetheless, the Directors recommend that Shareholders read the accompanying Notice of Meeting, Explanatory Memorandum, and Independent Expert Report in full before making any decision in relation to the Resolutions.

2 Resolution 1 - Approval of transaction with Jonas Software AUS Pty Ltd as contemplated in the Share Sale agreement

2.1 Overview of the Company

The Company is an ASX-listed software development and technology company. The key business activities relate to the development and distribution of business software for the pharmacy industry including PharmX, an electronic ordering gateway and PharmXchange, an online sales and marketing platform integrated with PharmX.

As at 2 August 2023, the Company has a current market capitalisation of approximately \$26.9 million.

2.2 Overview of the Proposed Transaction

As announced on 21 July 2023, the Company has entered into a Share Sale Agreement with Jonas Software AUS Pty Ltd (**Jonas**) relating to the purchase by Jonas of all of the issued share capital in Corum Health and Amfac (together, the **Target Companies**) (the **Proposed Transaction**).

The Proposed Transaction will mean that all of the issued capital in the Target Companies will be transferred to Jonas for:

- (a) an initial purchase amount of \$4.75 million; and
 - (b) a deferred purchase amount of \$1.5 million (payable on the first anniversary of closing under the Share Purchase Agreement, subject to any price adjustment for working capital adjustments or warranty claims),
- (Consideration).**

In addition, there is the opportunity for additional consideration to be received by the Company through earnout payments on the first and second anniversary of closing under the Share Purchase Agreement. These earnout payments are:

- (a) First Earnout Payment: an amount equal to 165% of the amount (if any), by which the net recurring revenue earned collectively by the Target Companies during the first 12 month period following the closing date is greater than \$5,250,000; and
- (b) Second Earnout Payment: an amount equal to 165% of the amount (if any), by which the net recurring revenue earned collectively by the Target Companies during the second 12 month period following the closing date is greater than the Net Recurring

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Revenue earned collectively by the Target Companies during the first 12 month period following the closing date.

No changes to the Company's Board or senior management are proposed in connection with, or as a consequence of, the Proposed Transaction.

The Proposed Transaction is conditional on approval by Shareholders for all purposes, including Chapter 11 of the Listing Rules.

Indicative Timetable

An indicative Timetable for the Proposed Transaction is as follows:

Enter Share Sale Agreement	20 July 2023
Deadline for return of Proxy Forms	10.00am on 18 September 2023
Record date for voting at Meeting	7.00pm on 18 September 2023
Shareholder Approval – Meeting under this Notice of Meeting and Explanatory Memorandum.	20 September 2023
Closing	29 September 2023

2.3 The Rationale for the Proposed Transaction

The rationale for the Proposed Transaction is as follows:

- (a) The sale of the Pharmacy Software business will complete the streamlining of the Company's operations, allowing the Company to fully focus on the PharmX and PharmXchange businesses, which are the growth engines for the Company.
- (b) The sale will allow the Company to be completely independent in providing industry wide services to the pharmacy sector.

2.4 Key advantages and disadvantages of the Proposed Transaction

The passing of Resolution 1 at the Meeting will allow the Company to undertake the Proposed Transaction.

Advantages

The key advantages of the Proposed Transaction to Shareholders include:

(a) Focus on growth opportunities

The revenue and profit of Pharmacy Software has been in decline for many years, with ongoing investment and capital expenditure required for those operations. As set out above, if the Proposed Transaction proceeds, the Company's management will be able to fully focus on the opportunities available in the growth areas of the Company's business. Freeing up resources to focus on the significantly higher growth business areas for the Company seeks to, in the longer term, generate higher operating profits for the Company. The Company will not otherwise be making any specific changes to its business model.

(b) Cost savings

Pharmacy Software requires significant ongoing investment and capital expenditure. The Proposed Transaction is expected to achieve overhead savings for the Company due to the large portion of corporate resources currently required to operate the Pharmacy Software business.

(c) Shareholder returns and proceeds of the sale

The board has determined that the sale of Pharmacy Software is likely to improve shareholder returns, and will be investing proceeds of the Pharmacy Software sale into the growth areas of its business, being PharmX, an electronic ordering gateway, and PharmXchange, an online sales and marketing platform integrated with PharmX. The board will also be considering options for a capital management program.

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(d) Independent Expert

The Independent Expert has concluded that the Proposed Transaction is, in the absence of a superior proposal, fair and reasonable to the Shareholders.

Disadvantages

The key disadvantages of the Proposed Transaction to Shareholders include:

(a) Restriction on activities

The Company will, for a period following closing of the Proposed Transaction, be prevented from competing with, or having any interest in an entity which is competitive with, the Target Companies.

(b) Reduction of assets

The Company's asset base will be reduced following completion of the Proposed Transaction, and while the Company would no longer be exposed to the risks of the Target Companies' operations, it will also not have the benefit of any future increase in the value of the assets the subject of the Proposed Transaction.

2.5 Independent Expert consideration

The Company has engaged the Independent Expert to prepare an Independent Expert Report to assist Shareholders to decide whether or not to vote in favour of Resolution 1.

As previously mentioned in this Explanatory Statement, the Independent Expert has assessed that the Proposed Transaction is, in the absence of a superior proposal, fair and reasonable to Shareholders. Shareholders should have regard to all of the information set out in the Independent Expert's Report in Annexure A of this Explanatory Memorandum.

Fairness – Proposed Transaction

The Independent Expert compared the assessed fair value of the Target Companies with the Consideration. The assessed value of the Target Companies was between \$5.3 million and \$5.6 million, and the consideration to be received by the Company is assessed as being \$5.7 million (after estimated working capital adjustments). As the fair value of the Consideration is higher than the range of the assessed fair values of the Target Companies, the Independent Expert considered the Proposed Transaction, to be fair.

Reasonableness – Proposed Transaction

The Independent Expert considered the advantages and disadvantages of the Proposed Transaction to determine whether the Proposed Transaction is reasonable, along with other considerations, as follows:

(a) Advantages:

- (i) The Proposed Transaction is fair
- (ii) Potential upside from the Earnout Payments
- (iii) Focus on PharmX and PharmXchange
- (iv) Capital allocation
- (v) Better understanding of the Company's operations by prospective investors and financiers
- (vi) Potential for improvement in trading liquidity

(b) Disadvantages:

- (i) Loss of access to the Corum Health Business's earning potential
- (ii) No guarantee that PharmX and PharmXchange will perform as anticipated by the Company.

(c) Other Considerations

- (i) Certain costs associated with the Proposed Transaction, including one-off transaction costs estimated to be between \$250,000 to \$300,000

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(exclusive of GST) will have been incurred and will be payable by the Company regardless of whether the Proposed Transaction is approved.

The Directors have given detailed consideration to the Proposed Transaction. The Directors consider that the Proposed Transaction is in the best interests of the Company and recommend the Proposed Transaction to the Shareholders on that basis.

2.6 Potential position of Shareholders if Resolution 1 is not approved

If Resolution 1 is not approved, there will be a number of consequences including:

- (a) The Company will need to continue to invest in Pharmacy Software which may require a capital raise. There is no guarantee that the ongoing decline in the business will be reversed, even in circumstances where such an investment is made.
- (b) The growth areas of the business (PharmX and PharmXchange) will not receive the level of focus needed to realise their full potential.
- (c) Certain costs associated with the Proposed Transaction, including one-off transaction costs estimated to be between \$250,000 to \$300,000 (exclusive of GST) will have been incurred and will be payable by the Company regardless of whether the Proposed Transaction is approved.

2.7 Shareholder Approval

The Proposed Transaction is subject to and conditional on the Company obtaining the approval of its Shareholders for the sale for all purposes, including Chapter 11 of the Listing Rules, by 22 December 2023.

Resolution 1 seeks Shareholder approval for these purposes.

2.8 Proposed Transaction

The Proposed Transaction involves the Company selling the Target Companies, which comprise the Pharmacy Software portion of its business. The Board has determined that, while the sale of the Pharmacy Software business does not constitute the sale of its main undertaking (see further detail below), the relative magnitude of the Proposed Transaction means that its closing is conditional on Shareholders' approval.

The Proposed Transaction will support the Company's focus on the growth opportunities available to the business. The Company has two main business units, which are not interdependent, although they are in the same business sector. The Pharmacy Software portion of the business was historically the larger undertaking, however it has been in continual decline for a number of years. The more recently acquired PharmX (and newly developed PharmXchange) parts of the business are the higher growth areas and have become the greater focus of the Company. This side of the business is less capital intensive and has a lower cost base, leading to it being more rapidly scalable. The sale of the Pharmacy Software business will therefore allow the Company to focus on the activities that will allow the business to maintain and grow its current operations and scale.

Consequences

Resolution 1 seeks the required Shareholder approval of the Proposed Transaction.

If Resolution 1 is passed, the Company will proceed with the Proposed Transaction and the Company will:

- (a) dispose of its interest in the Target Companies; and
- (b) receive the Consideration.

If Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Transaction and any and all of the events (individually and collectively) outlined in section 2.6 may arise.

2.9 Constitution

Rule 32 of the Constitution provides that any sale or disposal of the Company's main undertaking shall be conditional on approval of Shareholders by an ordinary resolution. As set

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out above, while the Company does not believe that the Proposed Transaction constitutes a sale or disposal of the Company's "main undertaking", it is seeking approval of Shareholders.

2.10 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

3 Resolution 2 – Change of company name

Under the Share Sale Agreement, the Company has agreed that, subject to Shareholder approval, within 12 months of the date of closing under the Share Sale Agreement, it will change its name to a name not including the word "Corum".

The Directors have determined to change the name of the Company to "PharmX Technologies Limited".

Resolution 2 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act as well as to amend the Constitution to reflect the change of name in accordance with section 136(2) of the Constitution.

Resolution 2 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney, or in the case of a corporate Shareholder, by a corporate representative).

Resolution 2 is subject to the passing of Resolution 1. If Resolution 1 is not passed, the Company's name is not proposed to be changed.

In accordance with section 157(3) of the Corporations Act, the change of name of the Company will take effect from when ASIC alters the details of the Company's registration.

It is proposed that the Company's ASX listing code will also be changed from "COO" to "PHX".

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4 Voting entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (Sydney time) on Monday, 18 September 2023. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

5 Glossary

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

\$ means Australian dollars, unless otherwise stated.

Acquirer means Jonas Software AUS Pty Ltd (ACN 141 653 054).

Amfac means Amfac Pty Ltd (ACN 083 689 212).

ASIC means the Australian Securities & Investments Commission.

Associates has the meaning given to that term in the Corporations Act, and Associated has a corresponding meaning.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange (as applicable).

Company or **Corum** means Corum Group Pty (ABN 25 000 091 305) (ASX: COO).

Company Group means the Company and each of its Related Bodies Corporate.

Consideration has the meaning given in section 2.2.

Constitution means the constitution of the Company from time to time.

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

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Corum Health means Corum Health Pty Ltd (ACN 086 308 858).

Directors or **Board** means the board of directors of the Company from time to time.

EBITDA means earnings before interest, tax, depreciation and amortisation.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Independent Expert means RSM Corporate Australia Pty Ltd (ACN 050 508 024).

Independent Expert Report or **IER** means the Independent Expert report attached as Annexure A to the Notice.

Jonas means Jonas Software AUS Pty Ltd (ACN 141 653 054).

Listing Rules means the official listing rules of the ASX as amended from time to time.

Meeting means the Extraordinary General Meeting to be held on 20 September 2023 as convened by the accompanying Notice of Meeting.

Notice of Meeting or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting and accompanying this Explanatory Memorandum.

Pharmacy Software means the business undertaken by the Target Companies.

Resolution means a resolution set out in the Notice of Meeting.

Shareholder means a holder of Shares in the Company.

Shares means fully paid ordinary shares in the Company from time to time.

Share Sale Agreement means the share sale agreement entered into by the Company as seller, Jonas as buyer and Constellation Software Australia Pty Ltd as buyer guarantor dated 20 July 2023. The buyer guarantor has agreed to guarantee the payment obligations of the buyer under this agreement.

Target Companies means Corum Health and Amfac.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Eryl Baron (Company Secretary):

companysecretary@corum.com.au

6 Voting and proxies

Voting

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that Shareholders recorded on the Company's register at 7:00pm (Sydney time) on Monday, 18 September 2023 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not a registered Shareholder on the Record Date, you will not be entitled to vote at the Meeting.

If you are unable to attend the Meeting, we encourage you to sign and return the accompanying proxy form in accordance with the instructions set out below and those set out on the proxy form.

Proxies

A Shareholder who is entitled to attend and vote at the Meeting may appoint up to two proxies to attend on vote on behalf of that Shareholder.

If a Shareholder appoints two proxies, the appointment of the proxies must specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the Shareholder's votes.

Where a Shareholder appoints more than one proxy, only the first named proxy is entitled to vote on a show of hands. A proxy need not be a Shareholder.

A proxy may decide whether to vote on any Resolution, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on a Resolution, the proxy may vote on that Resolution only in accordance with that direction. If a proxy is not directed how to vote on a Resolution, the proxy may vote as he or she thinks fit, this applies even if the proxy is the Chairman, in which case the Chairman will vote in favour of each of the items of business.

Appointing the Chairman

If the Shareholder appoints the Chairman of the Meeting as proxy, the Shareholder can direct the Chairman how to vote by marking the relevant boxes on the proxy form (i.e. 'for', 'against' or 'abstain'). If no direction is provided the Chairman will cast the Shareholder's votes in favour of all resolutions.

Returning proxies and authorising documents

To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10am (Sydney time) on Monday, 18 September 2023.

Proxies may only be lodged with the Company's share registry:

- a. by mail or delivery to:
Automic Pty Limited
Level 5, 126 Phillip Street Sydney
NSW 2000
GPO Box 5193
Sydney NSW 2001

- b. by facsimile:
(within Australia) (02) 8583 3040
(outside Australia) +61 2 8583 3040
- c. Proxy forms and online voting are available at investor.automic.com.au by logging into your account.

Directed Proxies

The Corporations Act sets out how a proxy must vote directed proxies. If a proxy form specifies the way a proxy is to vote on a resolution, then:

- a proxy need not vote on a show of hands, but if the proxy does vote, the proxy must vote as directed;
- if a proxy is appointed by two or more Shareholders who specify different ways to vote on a resolution, the proxy must not vote on a show of hands;
- if the proxy is the Chairman, the proxy must vote as directed on a poll;
- if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does vote, the proxy must vote as directed; and
- if the proxy is not the Chairman and does not attend the General Meeting or does not vote on a Resolution, but the proxy form specifies how to vote and a poll is demanded, then the Chairman is taken to have been appointed as the proxy and must vote as directed.

Power of Attorney

A Shareholder's attorney may sign the Shareholder's proxy form on behalf of the Shareholder. By signing the proxy form, the Shareholder's attorney confirms that the authority under which he or she executed the proxy form has not been revoked. If the Shareholder's attorney signs the proxy form, then the attorney must, when it sends the proxy form to the Company also send the authority (or a certified copy of the authority) under which the proxy form was signed. Each of the proxy form and authority must be received at least 48 hours before the General Meeting.

Bodies Corporate

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by two directors, a director and the company secretary, or a duly authorised officer or attorney. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the General Meeting. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on behalf of the appointing body all of the powers that the appointing body could exercise at the General Meeting or in voting on a resolution.

Technical difficulties with a Hybrid Meeting

Technical difficulties may arise during the Meeting. The Chair has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of Shareholders affected and the extent to which participation in the business of the meeting is affected. If the Chair considers it

appropriate the meeting may continue and business may be transacted, including a poll and voting in accordance with valid proxy instructions.

In the event of a substantial technological failure that prevents Shareholders from having a reasonable opportunity to participate in the meeting, Corum will endeavour to provide an update, either through text message or on its website, and will communicate the details of any postponed or adjourned Meeting to Shareholders.

IMPORTANT NOTICE

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the Meeting, which are set out in the accompanying Notice.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required to decide how to vote on the Resolutions. The Directors recommend that Shareholders read this Explanatory Memorandum in full before determining whether or not to support the Resolutions. This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read together with the Notice. If you are in doubt about what to do in relation to the Resolutions contemplated in this Explanatory Memorandum, you should consult your financial or other professional advisor. Capitalised terms used in this Explanatory Memorandum have the meaning given to them in the Glossary.

Annexure A Independent Expert Report



CORUM GROUP LIMITED

Financial Services Guide and Concise Independent Expert's Report

4 August 2023

Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

For the purposes of our report and this FSG, the financial services we will be providing to you is the provision of general financial advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

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

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Specifically relevant to this engagement RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia has provided professional services to Constellation Software Australia Pty Ltd (a related entity of Jonas) in the ordinary course of its business in relation to tax compliance services included related tax compliance valuation services. Having regard to ASIC Regulatory Guide RG 112 Independence of Experts, we have concluded that these services do not impact on our independence in relation to the preparation of this report.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact Details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

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4 August 2023

The Directors
Corum Group Limited
Level 3, 120 Sussex Street
Sydney NSW 2000

Dear Directors

1. Introduction

- 1.1 This concise Independent Expert's Report ("the Report" or "IER") has been prepared to accompany the Notice of Extraordinary General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Corum Group Limited ("COO" or "the Company") expected to be held in September 2023, at which shareholder approval will be sought for the following resolution relating to the sale of 100% of the issued share capital in Corum Health Pty and Amfac Pty Ltd ("Corum Health" or "the Business") to Jonas Software AUS Pty Ltd ("Jonas") ("the Proposed Transaction").

Resolution

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

"That for all purposes, including Chapter 11 of the Listing Rules, with effect from the passing of this Resolution 1, approval is given for the sale of 100% of the issued share capital in Corum Health Pty Ltd and Amfac Pty Ltd, each a wholly owned subsidiary of the Company, to Jonas Software AUS Pty Ltd (the Acquirer) for the Consideration (the Proposed Transaction) pursuant to the terms and conditions of the Share Sale Agreement entered into on 20 July 2023 as summarised in the Explanatory Statement."

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders of COO not associated with the Proposed Transaction ("Shareholders").

- 1.2 The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.
- 1.3 This concise report contains a summary of RSM's opinion as to whether the Proposed Transaction is fair and reasonable to Shareholders of COO not associated with the Proposed Transaction and is extracted from RSM's full report. In RSM's opinion, this concise report contains all the material information contained in the full report. The additional information incorporated in the full report includes:
- Detailed financial information in relation to COO and Corum Health and details share price analysis and historical ASX announcements by COO;
 - An industry overview in relation to the software publishing industry in Australia;
 - Market valuation parameters relating to identified comparable companies to Corum Health and transactions involved target companies comparable to Corum Health;
 - List of sources of information;
 - Declarations and disclosures.

- 1.4 A copy of this concise report will be included in the Notice to be provided to Shareholders prior to the Extraordinary General Meeting. This concise report should be considered in conjunction with, and not independently of, the information set out in the Notice. The full Independent Expert's Report from which this summary has been extracted is available to Shareholders free of charge by emailing CompanySecretary@corum.com.au.

2. Summary and Conclusion

Opinion

- 2.1 In our opinion, and for the reasons set out in the following sections of this Report, the Proposed Transaction is **fair and reasonable** to Shareholders.

Approach

- 2.2 In assessing whether the Proposed Transaction is fair and reasonable to Shareholders, we have considered Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – Content of Expert Reports (“RG 111”), which provides specific guidance as to how an expert is to appraise transactions.
- 2.3 We have considered whether or not the Proposed Transaction is “fair” to Shareholders by assessing and comparing:
- the Fair Value of Corum Health; with
 - the consideration (“Purchase Price”), excluding any contingent consideration that may be payable to COO as a result of exceeding future revenue related earn-out targets (“Earn-Out Payments”).
- 2.4 We have also considered whether the Proposed Transaction is “reasonable” to Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Shareholders in their decision of whether or not to approve the Proposed Transaction.
- 2.5 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this report.
- 2.6 An individual shareholder’s decision in relation to the Proposed Transaction may be influenced by their individual circumstances. If in doubt, shareholders should consult an independent advisor.

Company Background

- 2.7 The Proposed Transaction comprises the proposed sale of Corum Health.
- 2.8 COO is a technology and software development business. The key business activities of COO are:
- Corum Health – a provider of software to the Australian community pharmacy market and enterprise groups through its Dispense, Point of Sale (retail management) and Head Office (pharmacy group management) products, with ancillary products to streamline retail and dispensing operations such as EFTPOS, stock management, security and back-ups and compliance. Corum Health’s software products deliver workflow efficiencies for pharmacy customers.
 - PharmX – owns, develops and manages an electronic ordering gateway and PharmXchange, which is a recently launched online sales and marketing platform focussed on the pharmacy industry and integrated with PharmX.
- 2.9 The market for Corum Health’s products comprises the large retail pharmacy groups and small independent pharmacies. Corum Health’s customer base includes a mix of enterprise group customers and independent pharmacies (c. 60% / 40% split). Its main competitors include Fred IT, Z Software, Minfos, POSWorks, Simple Retail, Mountaintop Systems and RxOne.
- 2.10 Corum Health’s products integrate with a number of retail and specialist pharmacy products.

2.11 COO is retaining the PharmX business. We are advised that the Company has placed a strategic focus on the growth and development of the PharmX and PharmXchange products with the objective of becoming the pharmacy industry's sales and marketing hub. The Directors consider there to be an inherent advantage of pursuing this strategy independent of Corum Health.

Transaction Overview

2.12 On 21 July 2023 the Company announced that COO had signed a share sale and purchase agreement ("SSPA") divest the Corum Health Business to Jonas (Proposed Transaction) by way of the sale of 100% of the issued capital in Corum Health Pty Limited and Amfac Pty Limited.

2.13 Under the terms of the SSPA, Jonas will acquire Corum Health for the consideration ("Purchase Price") set out below:

- A fixed cash payment of \$4.75m to be paid at closing ("Closing Payment"); and
- A deferred purchase amount ("Deferred Amount") of \$1.5m payable in cash 1 year after closing subject to a net tangible asset ("NTA") adjustment to be calculated based on the difference between the NTA set out in the closing date balance sheet and \$0 ("Target NTA"); and
- The earn-out payments ("Earn-Out Payments") (if any) to be paid in cash in accordance with the following:
 - First Earn-Out Payment ("First Earn-Out Payment") – an amount payable in cash equal to 165% of the amount (if any), by which net recurring revenue ("Net Recurring Revenue") earned by Corum Health during the first 12 months from the Closing Date ("First Earn-Out Period") that is greater than \$5.25m;
 - Second Earn-Out Payment ("Second Earn-Out Payment") – an amount payable in cash equal to 165% of the amount (if any), by which Net Recurring Revenue earned by Corum Health in the second 12 months from the Closing Date ("Second Earn-Out Period") is greater than the Net Recurring Revenue earned by Corum Health during the First Earn-Out Period.
- Net Recurring Revenue is defined as gross recurring revenue less associated third party costs including but not limited to:
 - a. all maintenance costs;
 - b. direct hardware costs;
 - c. payment processing costs;
 - d. hosting costs;
 - e. software licence or maintenance royalties;
 - f. consultant's fees; and
 - g. third party commissions or referral fees,

all calculated in accordance with the Accounting Policies.

Key conditions of the Proposed Transaction

2.14 Completion of the Proposed Transaction is conditional subject to the approval of COO Shareholders for all purposes, including Chapter 11 of the ASX Listing Rules.

Fairness

2.15 The table below sets out the value of the consideration payable for Corum Health as compared to our assessment of the Market Value of Corum Health.

	Low \$'000	High \$'000	Preferred \$'000
Fair Value of Corum Health (controlling basis)	5,267	5,567	5,417
Proposed Transaction consideration (ex Earn-Out Payments)	6,250	6,250	6,250
Less: NTA adjustment as at 31 May 2023	(597)	(597)	(597)
Purchase Price	5,653	5,653	5,653

RSM analysis

Table 1: Valuation summary

2.16 We have summarised the values included in the previous table in the chart below.

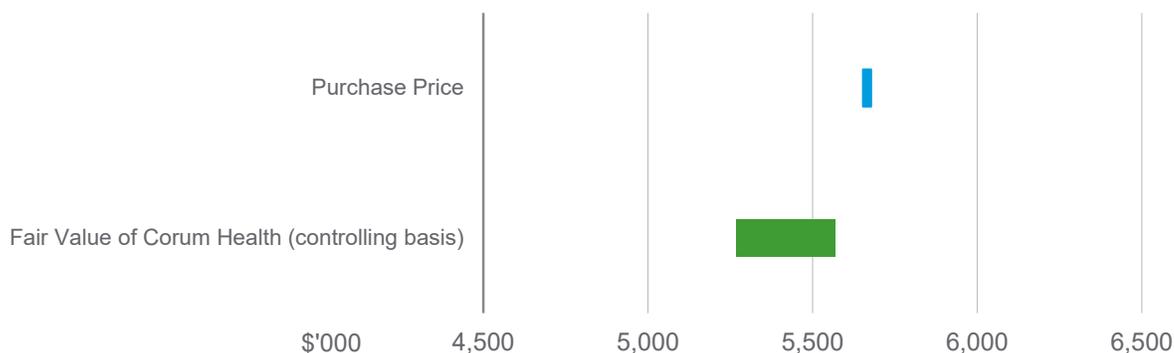


Chart 1: Valuation summary graphical representation

2.17 As the Purchase Price is equal to or greater than the Fair Value of Corum Health (on a control basis), in accordance with the guidance set out in RG 111, and in the absence of any other relevant information, we consider the Proposed Transaction to be **fair** to the Shareholders of COO.

2.18 The Purchase Price is subject to a net tangible assets adjustment at completion (“Completion”). The Purchase Price set out above reflects the Purchase Price based on Corum Health’s net tangible asset position as at 31 May 2023. Whilst the final Purchase Price will be adjusted to reflect the net asset position at Completion, we consider that any such adjustments would also be applicable to our assessed Fair Value of Corum Health (by way of movements in cash and working capital) such that the Proposed Transaction would remain **fair** to the Shareholders of COO.

Reasonableness

2.19 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- the future prospects of COO if the Proposed Transaction does not proceed;
- the trading of COO shares following the announcement of the Proposed Transaction;
- other commercial advantages and disadvantages to the Shareholders as a consequence of the Proposed Transaction proceeding; and
- alternative proposals to the Proposed Transaction.

Future Prospects of COO if the Proposed Transaction Does Not Proceed

2.20 The primary focus of COO is the PharmX and PharmXchange businesses as the Board views these businesses as having significantly superior growth prospects to Corum Health and accordingly, better prospects for returns to Shareholders over the long term. If the Proposed Transaction does not proceed, the Board intends to continue to focus on the PharmX and PharmXchange businesses while continuing to operate Corum Health with an objective to maximise the cash generated by the Business.

2.21 Corum Health has experienced a decline in revenue due primarily to customer churn in recent years. Corum Health operates in a highly competitive market with a static number of pharmacies in Australia. In the absence of significant investment in the Business, Management expects the Business to continue to experience customer churn and a continued decline in revenue. Considerable cost saving measures have already been implemented and Management considers further scope for cost saving initiatives to be limited.

2.22 The Business is expected to incur circa \$1.8m of capitalised development cost for FY23 which includes investment in mandatory product features that are required by the Department of Health and Aged Care from time to time. A greater level of development cost would be required to significantly enhance the current product offering to strengthen the Business' competitive position and the attractiveness of the product suite in the market. Management also believes that increased sales and marketing activities would be required to attract new customers. Increased expenditure on the Business would need to be funded from existing cash flows and / or from Shareholders and reduce the funds available to continue to develop the PharmX and PharmXchange business. There is no guarantee that increased investment in Corum Health would result in a satisfactory turnaround in the Business and returns to Shareholders.

Response of the Market to the Proposed Transaction

2.23 The table below sets out the VWAP of COO's shares from the date of the announcement of the Proposed Transaction to 30 July 2023, together with the comparison of traded shares in the period leading up to the date of the announcement of the Proposed Transaction on 21 July 2023.

	Share price Low \$	Share price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
<i>Calendar days prior to 21 July 2023</i>							
5 days	0.038	0.041	3	317,570	12,442	0.039	0.05%
10 days	0.038	0.041	4	416,860	16,513	0.040	0.07%
30 days	0.036	0.043	13	1,459,900	55,260	0.038	0.24%
60 days	0.036	0.046	32	4,156,680	166,250	0.040	0.70%
<i>Calendar days from 21 July 2023</i>							
5 days	0.043	0.044	3	1,060,750	46,547	0.044	0.18%
10 days	0.043	0.045	5	1,206,020	53,047	0.044	0.20%

Source: Capital IQ and RSM analysis

Table 2: COO VWAP post the announcement of Proposed Transaction

2.24 COO's VWAP of \$0.044 post the announcement of the Proposed Transaction was higher than the 5, 10, 30 and 60-day VWAP prior to the announcement of the Proposed Transaction which ranges from \$0.038 to \$0.40.

2.25 Notwithstanding the relatively low liquidity of the Company's shares, we consider the market has reacted favourably to the announcement of the Proposed Transaction.

Advantages of approving the Proposed Transaction

2.26 The advantages of approving the Proposed Transaction are:

Advantage	Details
The Proposed Transaction is fair	As set out above, as the Purchase Price is equal to or greater than the Fair Value of Corum Health (on a control basis), in accordance with the guidance set out in RG 111, and in the absence of any other relevant information, we consider the Proposed Transaction to be fair to the Shareholders of COO.
Potential upside from the Earnout Payments	COO may receive cash consideration in addition to the Closing Payment and the Deferred Amount, in the event that the Business exceeds the Net Recurring Revenue criteria in relation to the First Earnout Payment and / or the Second Earnout Payment. Given the inherent uncertainties in relation to prospective financial information implicit in an assessment of the potential upside to COO, the potential additional cash consideration of any Earnout Payments has not been quantified or included in our assessment of Fairness but represents potential upside to COO.
Focus on PharmX and PharmXchange	The Directors of the Company have spent significant time considering the strategic direction of COO and consider the divestment of Corum Health to be the most appropriate course of action as it will allow the Company to focus on the PharmX and PharmXchange businesses. Furthermore, as a point of sale product provider, Corum Health competes against the prospective customers of PharmX and PharmXchange. The sale of Corum Health will enable COO to go to market as an independent player.

Advantage	Details
Capital allocation	COO intends to use the proceeds from Proposed Transaction to invest in the growth objectives of the PharmX and PharmXchange businesses. The Board considers that PharmX and PharmXchange have significantly better growth prospects than Corum Health. The Company's capital allocation is currently constrained by the need to continue to invest in Corum Health to maintain the viability of the Business.
Better understanding of the Company's operations by prospective investors and financiers	The focus on the Company's remaining businesses may enable a better understanding of the Company's operations by prospective investors and financiers, with the potential for better access to debt and equity funding.
Potential for improvement in trading liquidity	There may be improvement in the liquidity of the Company's shares if the Proposed Transaction creates increased interest in COO and hence a more efficient market for shareholders to dispose of their shareholdings.

Table 3: Advantages of the Proposed Transaction

Disadvantages of approving the Proposed Transaction

2.27 The disadvantages of approving the Proposed Transaction are:

Disadvantage	Details
Loss of access to the Corum Health Business's earning potential	If the Proposed Transaction is approved, the Shareholders will forego any future economic benefit from the trading results and cash flows of Corum Health. Notwithstanding the expectation of Management in relation to the growth of PharmX and PharmXchange, we note that Corum Health currently generates the majority of EBITDA and operating cash flow for COO.
No guarantee that PharmX and PharmXchange will perform as anticipated by COO.	Whilst the Directors and Management consider PharmX and PharmXchange as growth opportunities for COO, there is no guarantee that these businesses will perform as anticipated.
Post transaction restructuring costs	Management estimate that the Proposed Transaction will result in some post transaction restructuring costs to COO.

Table 4: Disadvantages of the Proposed Transaction

Alternative proposals

2.28 COO has undertaken a formal sale process to divest Corum Health and engaged TMT Partners as corporate advisors in relation to the sale process. The Directors consider that the Proposed Transaction is the best offer received as a result of the sale process.

2.29 We are not aware of any alternative proposal at the current time which might offer Shareholders a greater benefit than the Proposed Transaction.

Conclusion on Reasonableness

2.30 In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than if the Proposed Transaction is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Proposed Transaction is **reasonable** for Shareholders.

3. Valuation Approach

Basis of Valuation

- 3.1 The valuation of Corum Health has been prepared on the basis of Fair Value (or Market Value), being the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

Valuation Methodologies

- 3.2 In assessing the Fair Value of Corum Health, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
 - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
 - the amount which would be available for distribution on an orderly realisation of assets;
 - the quoted price for listed securities; and
 - any recent genuine offers received.
- 3.3 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

- 3.4 Market based methods estimate the Market Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include:
- the quoted price for listed securities; and
 - industry specific methods.
- 3.5 The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.
- 3.6 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

- 3.7 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:
- discounted cash flow;
 - capitalisation of future maintainable earnings.
- 3.8 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

-
- 3.9 The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

Asset based methods

- 3.10 Asset based methodologies estimate the Market Value of a company’s securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net tangible assets on a going concern basis.
- 3.11 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with high asset values compared to earnings and cash flows.
- 3.12 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.
- 3.13 The net tangible assets on a going concern method estimates the market values of the net tangible assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company’s assets are liquid, or for asset holding companies.

Selection of valuation methodologies

Valuation of Corum Health

- 3.14 We have utilised the Capitalisation of FME methodology in our assessment of the Market Value of Corum Health by having regard to the trading multiples of listed comparable companies. We have cross checked this approach by considering the multiples paid for comparable target companies in transactions where relevant details are available.

4. Valuation of Corum Health

Capitalisation of FME methodology

4.1 We set out below a summary our assessment of the Fair Value of Corum Health on a controlling basis using the Capitalisation of FME methodology.

4.2 The table below sets out our assessment of the Fair Value of Corum Health using the Capitalisation of FME methodology.

Corrum Health Valuation Summary - Capitalisation of FME	Low \$'000	High \$'000	Preferred \$'000
FME (assessed at EBIT level)	750	750	750
Assessed EBIT multiple (controlling basis)	6.80	7.20	7.00
Enterprise Value (100% interest)	5,100	5,400	5,250
<i>Add:</i>			
Net cash	167	167	167
Fair Value (100% interest)	5,267	5,567	5,417

Source: RSM calculations

Table 5: Assessed Fair Value of Corum Health (Capitalisation of FME methodology)

4.3 We have assessed the Enterprise Value of Corum Health utilising the Capitalisation of FME methodology to be in the range of \$5.1m to \$5.4m, with a preferred mid-point value of \$5.3m.

4.4 Based on the above, we have assessed the Fair Value of Corum to be in the range of \$5.3m to \$5.6m, with a preferred mid-point value of \$5.4m.

4.5 We have considered and determined the following variables when assessing the Fair Value of Corum Health:

- future maintainable earnings;
- appropriate capitalisation multiple;
- comparable transaction multiples;
- working capital requirements;
- appropriate premium for control; and
- appropriate discounts for size and specific company risk.

4.6 In assessing the FME to apply to Corum Health we have had regard to the following:

- the Business's financial performance for FY20, FY21, FY22 and YTD23 (representing the 11 months to 31 May 2023);
- adjustments to normalise the current year EBIT results for non-recurring transactions and consistent application of accounting policies to those adopted for the preparation of the full year financial statements;
- review and analysis of forecast information prepared by Management in relation to Corum Health;
- historical operating costs indicate that significant cost has been removed from the Business since FY20. Accordingly, opportunities to further reduce future operating costs are likely to be limited.
- the market conditions and outlook of the industry that Corum Health operates in. In particular, the competitive nature of the pharmacy software market and the lack of prospective growth in the overall pharmacy market.
- our discussions with Management.

-
- 4.7 In assessing an appropriate capitalisation multiple, we have we have considered the EBIT multiples of publicly listed comparable companies whose operations are reasonably comparable to Corum Health. We have crossed checked the selected EBIT multiple by reference to revenue multiples of the selected listed comparable companies and to multiples paid in transactions where the target company is comparable to Corum Health.
- 4.8 COO may receive cash consideration in addition to the Closing Payment and the Deferred Amount, in the event that the Business exceeds the Net Recurring Revenue criteria in relation to the First Earnout Payment and / or the Second Earnout Payment. Given the inherent uncertainties in relation to prospective financial information implicit in an assessment of the potential upside to COO, the potential additional cash consideration of any Earnout Payments has not been quantified or included in our assessment of Fairness but has been considered as part of our assessment of the advantages and disadvantages of the Proposed Transaction in Section 2.

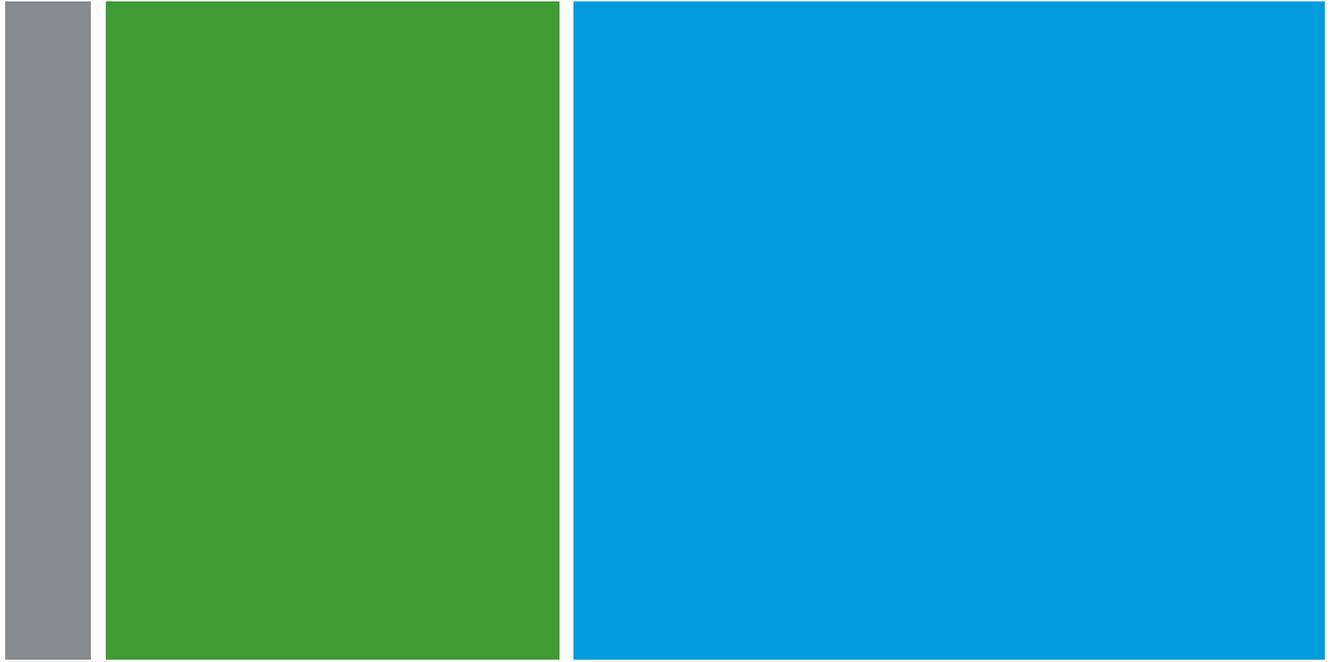
An individual shareholder's decision in relation to the Proposed Transaction may be influenced by their individual circumstances. If in doubt, shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

Andrew Clifford
Director

Nadine Marke
Director



APPENDICES

APPENDIX A - GLOSSARY OF TERMS AND ABBREVIATIONS

Term or Abbreviation	Definition
\$	Australian dollar
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
Business	Corum Health
Business Day	A day on which banks are open for business excluding Saturdays, Sundays and public holidays in Sydney, New South Wales
CAGR	Compound Annual Growth Rate
Company or COO	Corum Group Limited
Completion or Closing	The completion of the Proposed Transaction in accordance with the terms of the SSPA
Control or controlling basis	Assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in a business enterprise, to reflect the power of control
Corum Health	The Business operated by Corum Group Limited comprising Corum Health Pty Ltd and Amfac Pty Ltd and engaged in providing software solutions for dispensing, point of sale and head office for use by pharmacies.
Deferred Amount	\$1.5m cash consideration payable 1 year after Closing subject to an NTA adjustment.
Discounted Cash Flow (DCF)	A method within the income approach which values a business as the present value of future cash flows and is discounted to present value utilising a discount rate
Directors	Directors of the Company
Earn-Out Payments	Contingent consideration to be paid in cash in the event that certain Net Recurring Revenue targets are achieved by Corum Health during the first and second 12 months after Completion.
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
Enterprise Value	The value of a business on a cash free, debt free basis
Equity Value	The owners' interest in a company after the deduction of all liabilities
Explanatory Statement	The explanatory statement accompanying the Notice
Fair Value or Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
Fred	Fred IT Group Pty Ltd
Future Maintainable Earnings (FME)	The normal maintainable earnings expected to be achieved in the future
FSG	Financial Services Guide
FYXX	Financial Year ended/ending 20XX
Going concern	An ongoing operating business enterprise
Gross margin/gross profit margin	Gross profit divided by revenue
Group	The Corum Group
Historical Period	FY19, FY20, FY21 and 1HY22 in relation to COO
1HY23	The half-year ended 31 December 2023

Term or Abbreviation	Definition
IER or Report	This Independent Expert Report
Jonas	Jonas Software AUS Pty Limited
k	Thousands
m	Millions
Management	The management of Corum Group Limited
Net Recurring Revenue	Gross recurring revenue less associated third party costs
Notice or Notice of Meeting	The notice of meeting to vote on, inter alia, the Proposed Transaction
NTA	Net tangible assets
PharmX	A business owned by COO that owns, develops and manages an electronic ordering gateway and PharmXchange,
Proposed Transaction or Transaction	The Resolution, as set out in the Notice
Purchase Price	The cash consideration payable by Jonas Software AUS Limited to Corum Group Limited under Share Sale and Purchase Agreement.
Report	This Independent Expert's Report prepared by RSM dated 4 August 2023 (concise version)
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
Share	Ordinary fully paid share in the capital of the Company
Shareholder	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
SSPA	The share sale and purchase agreement between Corum Group Limited, Constellation Software Australia Pty Limited and Jonas Software AUS Pty Limited entered into on 20 July 2023
VWAP	Volume weighted average share price
YTD23	The 11 months to 31 May 2023

THE POWER OF BEING UNDERSTOOD
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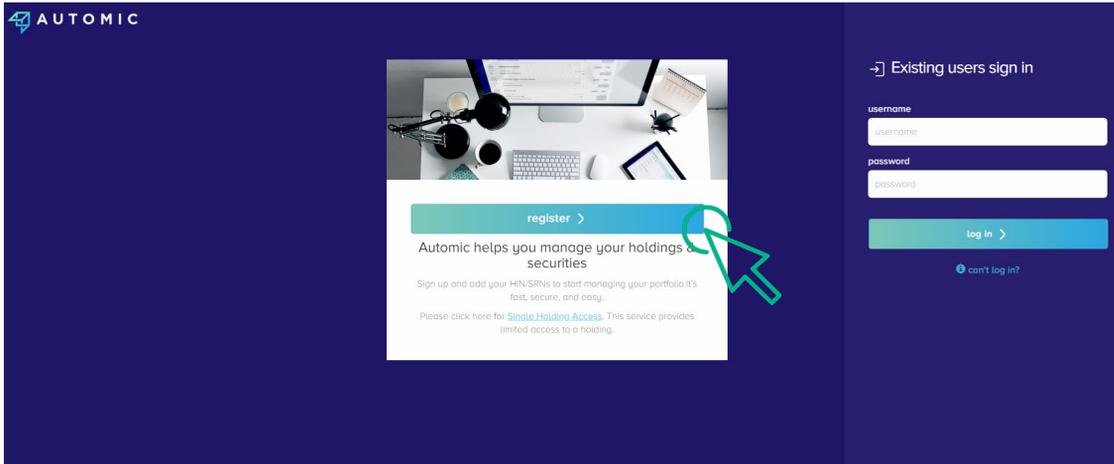


Virtual Meeting Registration and Voting

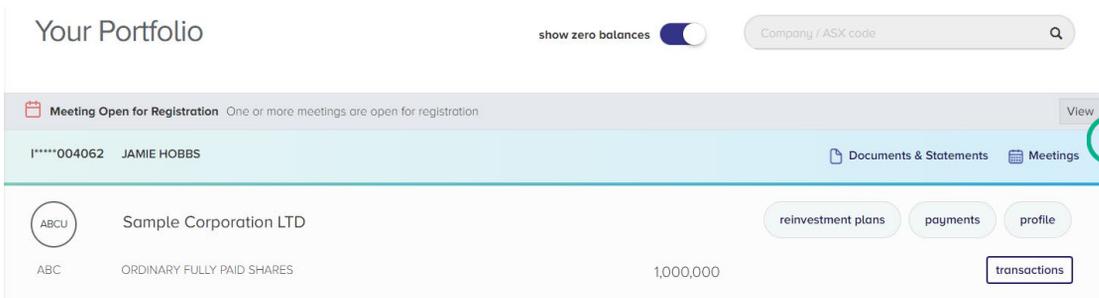


REGISTRATION

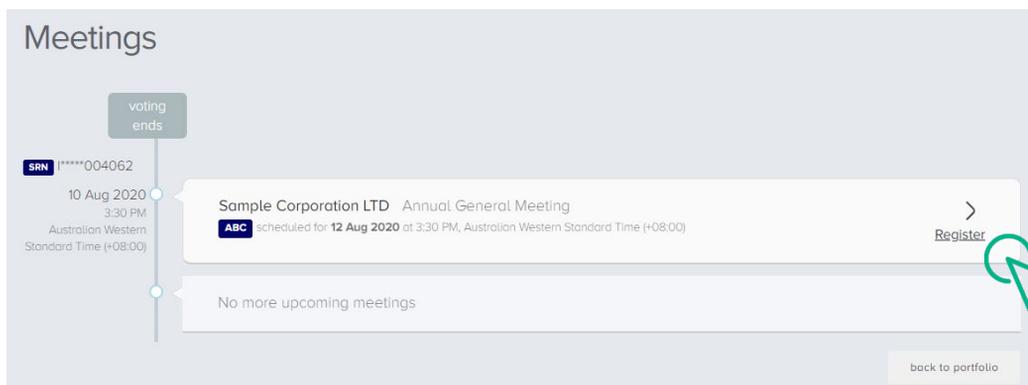
- Go to: <https://investor.automic.com.au/#/home>.
- Log in using your existing username and password or click on “register” and follow the on-screen prompts to create your login credentials.



- Once logged in you will see that the meeting is open for registration. Click on “view”.



- Click on “register” to register your attendance for the meeting.



REGISTRATION

- Select “yes, I would like to vote” and then click “next”.

The screenshot shows a web interface titled "Registration" for "Sample Corporation LTD - Annual General Meeting". A progress bar at the top indicates the current step is "Registration" (with a document icon) and the final step is "Complete" (with a checkmark icon). Below the progress bar, the heading "Registration - Step 1 of 2" is displayed. The main content area contains a question: "Will you be registering to vote?". Below the question, there are two instructions: "If you have already lodged a Proxy Form and wish for your proxy vote to stand, please select 'NO, I will not be voting'" and "If you have lodged a Proxy Form and wish to amend your vote, please select 'YES, I would like to vote'". There are two radio button options: "YES, I would like to vote" (which is selected) and "NO, I will not be voting". A blue "next" button is located at the bottom right of the form. Green arrows point to the selected radio button and the "next" button.

- You will be placed on a holding page until voting opens for the meeting. From here you can access the meeting video/audio by selecting the meeting URL.
- Once the Chair of the Meeting declares voting open, you should select “refresh”.

The screenshot shows a web interface titled "Registration" for "Sample Corporation LTD - Annual General Meeting". A progress bar at the top indicates the current step is "Registration" (with a document icon) and the final step is "Complete" (with a checkmark icon). Below the progress bar, the heading "Complete - Step 2 of 2" is displayed. The main content area contains a green checkmark icon followed by the text "Registration Complete!". Below this, it says "The voting is not open yet. Refresh this page or come back here later." A blue "Refresh" button is located at the bottom right. A light blue box contains the text "You can join the meeting online using the following link" followed by the URL: <https://us02web.zoom.us/j/84986335645?pwd=QTFUUGhjbjYyZjNQd2xVWXdlMGgwZz09>. Green arrows point to the "Refresh" button and the meeting URL.

VOTING

- The next screen will display the resolutions to be put to the meeting.
- The Chair of the meeting will provide instructions on when to mark your vote.
- You record your vote by selecting either “for”, “against” or “abstain” next to the appropriate resolution.
- Once voting has been declared closed you must select “next” to submit your vote.

Voting

Sample Corporation LTD - Annual General Meeting

Registration Poll Review Complete

Poll - Step 2 of 4

You can join the meeting online using the following link
<https://us02web.zoom.us/j/84986335645?pwd=QTFUUGhjbLYzNkQd2xVWXdIMGgwZz09>

Resolutions
You must vote on all resolutions, except for those marked as withdrawn.

1	Remuneration Report	for	against	abstain
2	Re-Election of Mr Robert Smith as Director	for	against	abstain

prev next

- On the next screen, check your vote is correct and select the box next to “declaration” – you cannot confirm your vote unless you select this box.
- Select “confirm” to confirm your vote – you CANNOT amend your vote after pressing the “confirm” button.

Review - Step 3 of 4

Confirmation
Please review and confirm.

1	Remuneration Report	for	against	abstain
2	Re-Election of Mr Robert Smith as Director	for	against	abstain

Declaration PLEASE NOTE: You will not be able to change your votes after pressing the confirm button.
By pressing **confirm** you agree that this online voting form has been signed, authorised and submitted by you, in your capacity as a registered holder (or legally authorised representative) of the Company, in accordance with the requirements under the Company's Constitution, the Corporations Act 2001 (Cth) and Automic's terms and conditions.

prev confirm

VOTING COMPLETE

- Your vote is now lodged and is final.

Voting

Sample Corporation LTD - Annual General Meeting

Progress: Poll (0%) — Review (50%) — Complete (100%)

Complete - Step 3 of 3

 Complete

You have successfully submitted your vote.

You can join the meeting online using the following link

<https://us02web.zoom.us/j/85784417406?pwd=TFE0TTdGTEhGSENIbUN5NzF3bUUQT09;>

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (AEST) on Monday, 18 September 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

