

5 September 2023

Dear Shareholder,

Annual General Meeting – Letter to Shareholders

Navalo Financial Services Group Limited (“Navalo” or the “Company”) advises that an Annual General Meeting (AGM) of Shareholders will be held virtually at 10:00am (AEST) on Thursday, 28 September 2023.

In accordance with Part 1.2AA of the *Corporations Act 2001*, the Company will only be dispatching physical copies of the Notice of Meeting (**Notice**) to Shareholders who have elected to receive the Notice in physical form. The Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link:

<https://www.navalo.com.au/investors/announcements/>.

This Notice is given based on circumstances as at the date of this letter. Should circumstances change, the Company will make an announcement on the Company’s website at <https://www.navalo.com.au/investors/announcements/>. Shareholders are urged to monitor the Company’s website.

Your vote is important

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

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

To vote by proxy please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on ‘View Meetings’ – ‘Vote’. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN)) as shown on the front of the Proxy Form.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

The Chair intends to vote all open proxies in favour of all resolutions, where permitted.

Yours faithfully

Saara Mistry

General Counsel, Company Secretary

**Navalo Financial Services
Group Limited**
2 Ridge Street, North Sydney,
New South Wales 2060
ACN: 605 753 535

<https://www.navalocom.au/>

Navalo Financial Services Group Limited

Notice of Annual General Meeting

Explanatory Statement | Proxy Form

Thursday 28 September 2023

10.00am AEST

To be conducted as a virtual meeting.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

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Important Information for Shareholders about the Annual General Meeting

This Notice is given based on circumstances as at 1 September 2023. Should circumstances change, the Company will make an announcement on the Company's website at <https://www.navalocom.au/investors/announcements/>. Shareholders are advised to monitor the Company's website.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (AEST) on Thursday 28 September 2023 **as a virtual meeting**.

To be able to hold this Meeting as a virtual meeting, the Company is relying upon s249R(c) of the Corporations Act and section 8.2(c) of the Company's constitution.

If you wish to virtually attend the Annual General Meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here: https://us02web.zoom.us/webinar/register/WN_W7JqKus_S7eSmWhYQbHcsQ

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the Annual General Meeting.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to Saara Mistry, Company Secretary, at investors@navalocom.au at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

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

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the online meeting platform powered by the Share Registry.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on "register" and following the prompts.

Shareholders will require their holder number (Securityholder Reference Number (SRN)) to create an account with the Share Registry.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "**Register**" when this appears. Alternatively, click on "**Meetings**" on the left-hand menu bar to access registration
4. Click on "**Register**" and follow the steps
5. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
6. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Voting by proxy

A Shareholder who is entitled to attend and vote at the Meeting may appoint a person as the Shareholder's proxy to attend and vote on that Shareholder's behalf.

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' - 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Complete the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Complete the enclosed Proxy Form and posting it to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Complete the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

If you appoint the Chair as your proxy, or the Chair is appointed your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your appointment will be taken as a direction to the Chair to vote in accordance with his or her stated voting intention, which is to vote in favour of the Resolutions.

Shareholders have the ability to appoint the Chair as their proxy and to direct that he or she vote contrary to the Chair's stated voting intention or to abstain from voting on a particular Resolution.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Enquiries

Shareholders are asked to contact the Company Secretary, Saara Mistry, at investors@navalo.com.au if they have any queries in respect of the matters set out in these documents.

Notice of Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Navalo Financial Services Group Limited ACN 605 753 535 will be held at 10:00am (AEST) on Thursday 28 September 2023 as a **virtual meeting**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on Tuesday 26 September 2023.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

1. **Resolution 1** – Cancellation and Issue of Warrants

To consider and, if thought fit, to pass the following resolution as an **Ordinary**

Resolution:

"That, for all purposes, the Shareholders approve:

- 1. the cancellation of 21,713 Existing Warrants held by Goldman Sachs with an exercise price of \$15.2625; and*
- 2. the issue and allotment of 21,713 New Warrants with an exercise price of \$4.5375 to Goldman Sachs,*

on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

2. **Resolution 2** – Election of Allan Griffiths as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Allan Griffiths, a Director appointed by the Board to act as an additional Director on 25 January 2023 who holds office until the conclusion of the next annual general meeting of the Company after his appointment in accordance with clause 10.7(b) of the Company’s constitution, be elected as a Director of the Company, effective immediately.”

BY ORDER OF THE BOARD

Saara Mistry
General Counsel, Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (AEST) on Thursday 28 September 2023.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.navalo.com.au/investors/announcements/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- conduct of the audit;
- preparation and content of the Auditor's Report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the auditor.

Resolutions

Resolution 1 – Cancellation and Issue of Warrants

1. Background

Existing Warrants

On 5 April 2022, the Company entered into a warehouse facility with senior lender Goldman Sachs and mezzanine lender iPartners ("**Warehouse Facility**").

In connection with the Warehouse Facility, the Company issued Goldman Sachs with 2,714,079 warrants on 16 May 2022 under the terms of the Warrant Agreement. The warrants were issued with Shareholder approval obtained at a general meeting of the Company held on 5 May 2022.

As a result of the recent consolidation of the Company's shares and other securities, the number of warrants was reduced from 2,714,079 to 21,713 (in line with the 125:1 consolidation ratio applied to the Company's securities) and the exercise price for the warrants was increased in inverse proportion from \$0.1221 to \$15.2625.

Accordingly, at the date of this Notice, Goldman Sachs holds 21,713 warrants with an exercise price of \$15.2625 under the terms of the Warrant Agreement ("**Existing Warrants**").

Expansion of Warehouse Facility

The Company has recently increased the Class A funding limit under the Warehouse Facility with senior lender Goldman Sachs and mezzanine lender iPartners ("**Warehouse Facility Increase**").

The purpose of the Warehouse Facility Increase is to extend and increase the size of the existing Warehouse Facility to help scale the Company's business.

In connection with the Warehouse Facility Increase, the Company has reached commercial agreement with Goldman Sachs pursuant to which the Company has agreed, subject to approval of the Shareholders, to cancel the Existing Warrants and grant 21,713 new warrants with an exercise price of \$4.5375 and an expiry date of 16 May 2026 ("**New Warrants**").

New Warrants

Annexure A sets out the material terms of the New Warrants.

Shareholder approval

The purpose of this Resolution is for Shareholders to approve the cancellation of the Existing Warrants and the issue and allotment of the New Warrants to Goldman Sachs.

The Company is no longer listed on the official list of the ASX. As such, it is not subject to the requirement under the ASX Listing Rules to obtain Shareholder approval for certain issues of new equity securities or the cancellation of options and warrants in certain circumstances.

However, the Company is nonetheless seeking Shareholder approval to cancel the Existing Warrants and issue the New Warrants to Goldman Sachs, in light of the relatively short period that has elapsed since the Company ceased to be subject to the ASX Listing Rules.

2. Voting exclusions

No Shareholders are excluded from voting in favour of Resolution 1.

3. Directors' Recommendation

The Board unanimously recommend Shareholders vote in favour of Resolution 1.

4. Chair's Intention

The Chair intends to vote all undirected proxies in favour of Resolution 1.

Resolution 2 – Election of Allan Griffiths as Director

The Company's Constitution provides that any Director appointed by the Board as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting but is eligible for election at that meeting.

Allan Griffiths was appointed by the Board as an additional Director of the Company on 25 January 2023 and has since served as a Director of the Company.

Under this Resolution, Allan Griffiths seeks election as a Director of the Company at this AGM.

Allan Griffiths has more than 30 years' experience with a deep understanding of the financial services industry. Mr Griffiths has held a number of executive positions within the industry most notably as Chief Executive Officer, Aviva Australia and later, Managing Director South Asia, Aviva Asia Pte Ltd based in Singapore. Prior to joining Aviva, Mr Griffiths held executive positions with Colonial Ltd and Norwich Union. Mr Griffiths is the current Chair of Insignia Financial (formerly IOOF), St Andrew's Insurance and Metrics.

Voting exclusions

No Shareholders are excluded from voting in favour of Resolution 2.

Directors' recommendation

The Directors (excluding Allan Griffiths) recommend that Shareholders vote in favour of Resolution 2.

Chair's Intention

The Chair intends to vote all undirected proxies in favour of Resolution 2.

Glossary

“\$” means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company’s members convened by this Notice of Meeting.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules means the official listing rules of the ASX.

Board means the current board of Directors of the Company.

Chair means the person chairing the Meeting.

Company means Navalo Financial Services Group Limited ACN 605 753 535.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Existing Warrants has the meaning given to that term in the Explanatory Statement.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Goldman Sachs means Goldman Sachs International Bank.

iPartners means iPartners Nominees Pty Ltd in its capacity as trustee of the Payright Warehouse Series 1 Trust

New Warrants has the meaning given to that term in the Explanatory Statement.

Notice of Meeting or **Notice** means this notice of annual general meeting dated 5 September 2023 including the Explanatory Statement.

Ordinary Resolution means a resolution that can only be passed if more than 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy Form means the proxy form attached to this Notice of Meeting.

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

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

Shareholder means a holder of a Share.

Share Registry or **Automic** means Automic Pty Ltd.

Warehouse Facility has the meaning given to that term in the Explanatory Statement.

Warehouse Facility Increase has the meaning given to that term in the Explanatory Statement.

Warrant Agreement means the warrant agreement between the Company and Goldman Sachs International Bank dated 4 April 2022 (as amended).

Annexure A – Material terms of New Warrants

All figures presented are in Australian dollars (A\$).

Instrument	Warrants
Issue size	The Company has agreed to issue Goldman Sachs (the Initial Warrantholder) 21,713 New Warrants.
Consideration	The New Warrants will be offered to the Initial Warrantholder for a nominal sum of \$10 in connection with the Warehouse Facility Increase.
Exercise right	<p>Any New Warrant may be exercised at any time during the exercise period and will entitle the warrantholder to 1 share per New Warrant for the exercise price.</p> <p>The exercise period commences on the date of issue of the New Warrants and ends on 16 May 2026.</p> <p>A warrantholder may exercise the New Warrant(s) held by it in whole or in part.</p>
Exercise price	The exercise price shall be A\$4.5375.
Transfer	The warrantholder may transfer the New Warrants held by it in whole or in part without the prior written consent of the Company to any person at any time provided the transfer is made by way of an instrument of transfer in the usual or common form or any other form approved by the Company and the relevant transferee executes an accession deed to the Warrant Agreement.
Exercise price adjustments	Anti-dilutive adjustments apply for any sub-division, consolidation or redesignation of shares or reduction of the share capital of the Company, any allotment or issue of shares by way of capitalisation of profits or reserves to holders of shares, and any transaction or series of related transactions principally for bona fide capital raising purposes in which the Company issues shares in the capital of the Company.
Participation in new issues	The warrantholder shall not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Warrants prior to exercise.
Lapse on expiry	If on the last date of the exercise period any New Warrants have not been exercised such New Warrants shall lapse and be deemed cancelled without notice.
Governing law	Victoria