

ASX announcement: (ASX: PYR)

23 May 2023

Notice of General Meeting (Notice) and related documents

Payright Limited (ASX: PYR) (**Payright** or the **Company**), attaches the following documents in relation to the General Meeting of the Company to be held at 10:00am (AEST) on Monday 26 June 2023:

1. Letter to Shareholders in relation to the Notice;
2. Notice; and
3. Proxy Form.

The Company advises that the Letter to Shareholders, Notice and Proxy Form are being dispatched to Shareholders today.

Authorised for ASX release by the Payright Board of Directors.

-ENDS-

23 May 2023

Dear Shareholder,

General Meeting – Letter to Shareholders

Payright Limited (ASX:PYR) (“Payright” or the “Company”) advises that a General Meeting of Shareholders will be held at 10:00am (AEST) on Monday, 26 June 2023 as a **virtual meeting (Meeting)**.

Details on how to attend and participate in the virtual meeting can be found below and in the Notice of Meeting (**Notice**).

In accordance with Part 1.2AA of the *Corporations Act 2001*, the Company will only be dispatching physical copies of the 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://investors.payright.com.au/investor-centre/>. Alternatively, the Notice will also be available on the Company’s ASX market announcements page (ASX:PYR).

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice. If you wish to receive a hard copy of the Notice, please contact the Company Secretary at saara.mistry@payright.com.au.

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 ASX market announcements platform and on the Company’s website at <https://investors.payright.com.au/investor-centre/>. Shareholders are urged to monitor the ASX announcements platform and the Company’s website.

Virtual Meeting

If you wish to virtually attend the AGM (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_W9WiZhzsTtCnpOP1d21bLw

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

Shareholders will be able to vote (see the “Voting virtually at the Meeting” section in the Notice) and ask questions.

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

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Questions must be submitted in writing to Saara Mistry, Company Secretary at saara.mistry@payright.com.au at least 48 hours before the Meeting.

Your vote is important

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

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting.

Shareholders attending the meeting virtually and wishing to vote on the day of the meeting can find further instructions on how to do so in the Notice. Alternatively, shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into 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) or Holder Identification Number (HIN)) 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	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

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

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Payright Limited

Level 1, 55 Whitehorse Road

Balwyn VIC 3103

ACN: 605 753 535

<https://www.payright.com/>



Payright Limited

Notice of General Meeting

Explanatory Statement | Proxy Form

Monday 26 June 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 General Meeting

This Notice is given based on circumstances as at 22 May 2023. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://investors.payright.com.au/investor-centre/announcements-2/>. Shareholders are advised to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at **10.00am** (AEST) on 26 June 2023 **as a virtual meeting**.

If you wish to virtually attend the 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_W9WiZhsTtCnpOP1d21bLw

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the 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, Saara Mistry at saara.mistry@payright.com.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 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) or Holder Identification Number (HIN)) 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) or Holder Identification Number (HIN)) 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	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

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 saara.mistry@payright.com.au if they have any queries in respect of the matters set out in these documents.

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Notice of Meeting

Notice is hereby given that a General Meeting of Shareholders of Payright Limited ACN 605 753 535 will be held at 10.00am (AEST) on Monday 26 June 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 Saturday, 24 June 2023.

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

Resolutions

1. **Resolution 1** – Removal from the Official List of ASX

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

“That, for the purposes of ASX Listing Rule 17.11, and for all other purposes, the Shareholders approve the Company’s removal from the Official List on a date to be decided by ASX (being a date no earlier than one month after the date this resolution is passed) and that the Directors be authorised to do all things reasonably necessary to give effect to the removal of the Company from the Official List.”

2. **Resolution 2** – Consolidation of capital

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

“That, for the purposes of section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the terms and conditions set out in the Explanatory Statement and on the basis that:

- (a) every one hundred and twenty-five (125) Shares be consolidated into one (1) Share;*
- (b) all Options on issue be consolidated in accordance with Listing Rule 7.22.1;*
- (c) all Warrants on issue be consolidated in accordance with Listing Rule 7.22.1; and*
- (d) the Convertible Notes be reorganised in accordance with Listing Rule 7.21,*

and where this consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole Security.”

3. **Resolution 3** – Change of company name

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

“That, for the purposes of subsection 157(1) of the Corporations Act and for all other purposes, Shareholders approve the change of the name of the Company to Navalo Financial Services Group Limited, on the terms and conditions set out in the Explanatory Statement.”

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 Meeting to be held at 10.00am (AEST) on Monday 26 June 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.

Resolutions

Resolution 1 – Removal from the Official List

1. Background

The Company has applied to ASX to be removed from the Official List under Listing Rule 17.11 (the **Delisting**).

As is its usual practice, ASX has imposed a requirement under Listing Rule 17.11 and ASX Guidance Note 33 – *Removal of Entities from the Official List (ASX Guidance Note 33)*, that the Company obtain shareholder approval to its Delisting.

Resolution 1 seeks the required shareholder approval to the Delisting under and for the purposes of the Listing Rules. Resolution 1 is proposed as a Special Resolution and, as such, will only be passed if at least 75% of the votes cast on the Resolution are in favour.

If Resolution 1 is passed, the Company will be able to proceed with the Delisting. This means that after the Delisting, the Company's Shares will no longer be quoted on (or be able to be traded on) the Official List. Further information regarding the consequences of the Delisting is set out in section 8 below.

If Resolution 1 is not passed, the Company will not proceed with the Delisting at this time. In those circumstances, the Shares would remain quoted on the ASX and the Board would need to consider other alternatives for the Company's future structure and operations.

2. ASX's conditional in-principle approval to the Delisting

ASX has provided the Company with in-principle advice regarding an application for the removal of the Company from the Official List, which advised that, based solely on the information provided, on receipt of an application for the removal of the Company from the Official List pursuant to Listing Rule 17.11, ASX would be likely to remove the Company from the Official List, on a date to be decided by ASX, subject to compliance with the following conditions:

- (a) the request for removal of the Company from the Official List is approved by a special resolution of shareholders of the Company;
- (b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List of ASX must include:

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- i. a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
 - ii. details that if holders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List, and if they don't, details of the processes that will exist after the Company is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and
 - iii. the information prescribed in section 2.11 of ASX Guidance Note 33, to ASX's satisfaction; and
- (c) the removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so;
- (d) the Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed delisting date; and
- (e) the Company releases the full terms of ASX's decision to the market upon making a formal application to ASX for its removal from the Official List of ASX.

(the **ASX Confirmation**).

In accordance with paragraph (a) of the ASX Confirmation, Resolution 1 seeks Shareholder approval, as a Special Resolution, to remove the Company from the Official List.

In accordance with paragraph (b) of the ASX Confirmation, the statements required to be made in this Notice of Meeting are set out in this Explanatory Statement.

In accordance with paragraph (b)(ii) of the ASX Confirmation, the Company notifies Shareholders that if they wish to sell their securities on the market operated by ASX, they will need to do so before the Company's suspension from trading with effect from the close of trade on Wednesday 26 July 2023. Thereafter, Shareholders will only be able to sell their securities by way of off-market private transactions (subject to compliance with the Constitution and the Corporations Act). See section 10 for further details.

In accordance with paragraph (e) of the ASX Confirmation, the full terms of the ASX Confirmation were released to the market on Monday 22 May 2023 in the announcement made by the Company on that date which advised that the Company had applied for removal from the Official List.

The Board considers that it is in the best interests of the Company and its Shareholders for the Company to be removed from the Official List for the reasons set out in this Explanatory Statement.

The potential advantages and disadvantages of being removed from the Official List are set out below in this Explanatory Statement.

Shareholders who are uncertain as to what action to take should seek guidance from their professional advisers. In particular, Shareholders should seek appropriate legal, financial and tax advice about the potential impacts of holding shares in a company that is not listed on ASX.

3. Voting exclusions

As at the date of this Notice, ASX has not imposed any voting exclusion preventing any Shareholder from voting in favour of Resolution 1.

4. Time and date for removal

If Resolution 1 is passed, the Company will be removed from the Official List on a date and time determined by ASX, which is expected to be at close of trading on Friday 28 July 2023.

An indicative timetable for the Delisting is set out in Annexure A to this Notice.

Following the Meeting, a further announcement will be made to ASX confirming the official date of the Delisting.

5. Reasons for requesting removal from the Official List and potential advantages

The Board's key reasons for requesting removal of the Company from the Official List, and the potential advantages of the Company being removed from the Official List, are as follows:

- (a) Low free float:** 85.2% of the Shares on issue are held by the Company's largest shareholder, Metrics. Metrics has not indicated any intention to trade its Shares. Accordingly, only 14.8% of the Shares on issue are currently available to be traded on market.

The table below sets out the distribution of Shareholders as at 10 May 2023. Of the 1,427 individual holdings, 1,151 hold less than a marketable parcel of the Shares on issue based on the closing price of the Shares on 10 May 2023 of \$0.014. The 1,151 individual holders hold a total of 6,619,737 Shares amounting to 0.75% of Shares on issue.

No. of Shares	No. of Shareholders	No. of Shares held	Proportion of issued Shares (%)
0 – 1,000	336	240,398	0.03%
1,001 – 5,000	459	1,218,367	0.14%
5,001 – 10,000	158	1,230,155	0.14%
10,001 – 100,000	331	12,012,751	1.36%
100,001 and over	143	866,183,518	98.33%
Total	1,427	880,885,189	100.00%

The Company does not consider that the current spread of Shareholders and their aggregate holdings of Shares is sufficient to justify the Company's continued listing on ASX (and the operation of a market for the Company's Shares on the ASX), having regard to the other disadvantages of remaining listed identified in this Notice. Furthermore, the Company does not have any reason to believe that if the Company remained listed, there would be a substantial increase in its Shareholder spread or liquidity in the future.

- (b) Limited trading:** in recent times there has been very limited trading in the Shares. For example, the following table sets out the trading in the Shares from 1 January 2023 to 10 May 2023:

Period	No. of Shares traded during period	Shares on issue at end of period	Percentage of issued Shares traded during period
1 January 2023 – 31 January 2023	3,973,482	209,437,809	1.90%
1 February 2023 – 28 February 2023	1,536,844	209,437,809	0.73%
1 March 2023 – 31 March 2023	1,510,310	562,202,396	0.27%
1 April 2023 – 10 May 2023	145,373	880,885,189	0.02%

This lack of liquidity affects the ability of Shareholders to realise their investments and creates difficulties for potential investors to purchase Shares.

If the Company remains listed, the Board considers it highly unlikely that there would be a substantial increase in trading in the Shares in the foreseeable future.

- (c) **Undervalued securities:** the Board considers the price at which the Shares have traded over an extended period of time does not reflect the underlying value of the Company's business or its net assets.

If the Company was unlisted, the Company believes that it is more likely to be able to attract additional investors at a valuation that is closer to its fundamentals, rather than the market value currently attributed to its Shares based on the share price.

The Board also considers that this would allow the Company to obtain debt on more favourable terms for the Company and Shareholders (including lower interest rates and no requirements to grant warrants or other equity interests to lenders, which would have a dilutionary impact on Shareholders).

- (d) **Lack of investor interest:** the Company requires capital in order to maintain and grow its business. Recent capital raisings have been heavily supported by Metrics, indicating a lack of support from equity markets generally.

Investor interest in the Company is low and has remained so despite continued efforts by the Company to attract and retain investors. By way of example:

- in respect of the retail entitlement offer held during December 2022 and January 2023, there were 1,467 eligible participants, of which 71 holders participated and 1,396 holders did not participate; and
- in respect of the retail entitlement offer held during March and April 2023, there were 1,442 eligible participants, of which 92 holders participated and 1,350 holders did not participate.

The Company also considers that the Delisting will enable the Company to more easily access private capital, particularly from investors who see the Company's listing as a hurdle to them making an investment in the Company.

- (e) Costs of continued listing:** the Company believes that the ongoing administrative, compliance and direct costs associated with its ASX listing are disproportionate to the benefits of remaining listed on the ASX.

Legal, accounting, insurance and other expenses incurred by the Company in satisfying ASX filing, reporting and compliance requirements have been burdensome for the Company in recent times, given its limited cash reserves.

The Company estimates that if it is removed from the official list, it will save approximately \$322,000 over the next 12 months. A breakdown of the expected savings per year is set out below. The below figures have been calculated on an annualised basis based on the direct costs associated with listing incurred by the Company between 1 July 2022 and 31 March 2023.

Direct costs associated with remaining listed	Annualised expected savings
ASX fees	\$81,100
Presentation costs	\$26,500
Meeting costs	\$2,300
Company secretarial fees ¹	\$39,000
Expected audit savings	\$106,700
Other listing costs	\$51,900
Capital raising fees	\$14,500
Total	\$322,000

The Company does not anticipate that it will incur any additional expenses as a result of the Delisting, other than one-off transaction costs incurred to implement the Delisting.

- (f) Management time and effort:** a significant portion of the Company's management time is presently being dedicated to time-intensive matters relating to the Company's ASX listing. If the Company proceeds to delist, management's time will be able to be spent on other matters more beneficial to the Company.

6. Potential disadvantages of Delisting

The potential advantages of the Delisting are set out in section 5. The potential disadvantages of the Delisting include the following:

- (a) Less liquidity:** after the Delisting, Shares will only be able to be traded by way of private transactions. Accordingly, since Shares will no longer be able to be traded on ASX, the liquidity of the Shares may be diminished;
- (b) More limited means of raising capital:** in general terms, an unlisted company does not have the ability to raise capital from the issue of securities using limited disclosure fundraising documents, as is presently the case for the Company with its Shares being quoted on ASX. As set out in section 8(c), should the Company seek to raise capital following Delisting, it will be required to offer Shares pursuant to a full prospectus or by way of a disclosure exempt placement, such as to sophisticated and institutional investors to whom such disclosure is not required;
- (c) Less onerous obligations on the Company:** if the Delisting proceeds, the requirements of the Listing Rules will no longer apply (see section 8(d) for further details). This includes

¹ The Company expects to save 50% on its company secretarial fees following the delisting.

restrictions on the issue of securities by the Company, removal of restrictions concerning significant changes to the Company's activities and relief from requirements to address ASX's Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders and

- (d) **Dilution:** as noted in section 8(d), following the Delisting the Company will no longer be subject to restrictions on the issue of new Shares without Shareholder approval under the Listing Rules. As a result, any future equity funding may dilute Shareholders. However, in recent times the Company has sought equity funding from its Shareholders and has found that interest among Shareholders has been relatively low. See section 5(d) for further details.

7. Potential advantages and disadvantages of remaining on the Official List

Potential Advantages

The potential advantages of remaining listed on the Official List include the following:

- (a) **Trading on ASX:** if the Company remains listed, then Shares will continue to be able to be traded on ASX. Some Shareholders may find it easier to trade their Shares on ASX rather than selling their Shares by way of off-market, private transactions if the Delisting were to proceed;
- (b) **Raising capital without a disclosure document:** by remaining listed, the Company would be able to raise capital from the issue of securities using limited disclosure fundraising documents, without the requirement to issue a full prospectus. This would result in the Company incurring lower transaction costs in relation to the disclosure requirements in a capital raising;
- (c) **Application of Listing Rules:** as noted above in section 6(c), by remaining listed the Company would continue to be subject to the Listing Rules. The Company's obligations under the Listing Rules include:
- i. restrictions on the number of Securities that may be issued by the Company in each 12 month period without obtaining Shareholder approval;
 - ii. the requirement to prepare a Corporate Governance Statement informing Shareholders of the Company's corporate governance practices and comparing those practices to the ASX Principles and Recommendations; and
 - iii. the requirement to obtain Shareholder approval before disposing of the Company's main undertaking.

Potential disadvantages

The potential disadvantages of remaining listed on the Official List include the following:

- (a) **Low free float and limited trading:** as noted in section 5(a) above, only 14.8% of the Shares on issue are currently available to be traded on market and the Company's largest shareholder, Metrics, has not indicated any intention to trade its Shares. Further, as noted in section 5(b) above, there has been limited trading in the Company's Shares in recent times. As such, by remaining listed, the Company would continue to incur significant expenses associated with being a listed entity (see section 5(e)) without Shareholders receiving the benefit of an orderly and liquid market for trading in the Shares;

- (b) Undervalued securities:** by remaining listed, the Company's valuation will continue to be determined by the market value attributed to its Shares based on the prevailing share price from time to time. As noted above in section 5(c), the Board does not consider that the Company's current share price reflects the underlying value of the Company's business or its net assets. As a result, by remaining listed, the Company may continue to find it difficult to attract additional investors at a valuation that is closer to the Company's fundamentals and to obtain debt on more favourable terms for the Company and its Shareholders;
- (c) Lack of access to private capital:** as noted above in section 5(d), the Company requires capital in order to maintain and grow its business. By remaining listed, the Company may find it difficult to access private capital, particularly from investors who see the Company's listing as a hurdle to them making an investment in the Company;
- (d) Costs of continued listing:** as noted above in section 5(e), if the Company remains listed then it will continue to incur substantial costs as a result of its listing. The Company expects that this figure will increase in subsequent years; and
- (e) Management time and effort:** as noted above in section 5(f), if the Company remains listed, then its management team will continue to dedicate a significant portion of their time to time-intensive matters relating to the Company's ASX listing, rather than spending that time on matters more beneficial to the Company and its business.

8. Consequences for the Company and securityholders following removal

Some of the key consequences for the Company and securityholders if the Company is removed from the Official List include:

- (a) Trading:** following Delisting, the Shares will cease to be quoted on the ASX and Shareholders will no longer be able to sell their Shares and realise their investment in the Company via trading on ASX;
- (b) Sales via off-market transactions:** the Shares will only be capable of sale via off-market private transactions which will require Shareholders to identify and agree terms with potential purchasers of the Shares in accordance with the Constitution and the Corporations Act. The Company does not intend to manage or facilitate a market for the sale of its Shares following Delisting and the Company does not have any present intention to list any securities of the Company on any securities exchange. The Company can provide no assurances that a liquid market for the Company's securities will exist;
- (c) Fundraising:** as an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of a limited disclosure fundraising document. Should the Company seek to raise capital following Delisting, it will be required to offer its Shares pursuant to a full prospectus or by way of a disclosure exempt placement, such as to sophisticated and institutional investors to whom such disclosure is not required;
- (d) Listing Rules:** the Company will no longer have to comply with the Listing Rules, including the following:
- i. the requirement under Listing Rule 7.1 to obtain prior approval of Shareholders for an issue of equity securities if the equity securities would, when aggregated with the ordinary securities issued by the Company during the previous 12

months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period;

- ii. the requirement to seek prior Shareholder approval for the issue of Shares to Directors and other related parties as required under Listing Rule 10.11;
 - iii. the requirement to obtain Shareholder approval under Listing Rules 11.1 or 11.2 for changing the nature and scale of the Company's activities or disposing of its main undertaking; and
 - iv. the requirement for the Company to prepare a Corporate Governance Statement comparing its own corporate governance practices to the ASX Corporate Governance Principles and Recommendations; and
- (e) **Corporations Act:** although the Listing Rules will cease to apply to the Company, the Company will still be subject to the requirements of the Corporations Act and the Constitution, including:

i. Unlisted disclosing entity

For so long as the Company has 100 or more shareholders, it will be an "unlisted disclosing entity" under the Corporations Act. This means that it will still be required to give continuous disclosure of matters that a reasonable person would expect to have a material effect on the price or value of the Company's Shares, by filing notices with ASIC under section 675 of the Corporations Act.

Additionally, the Company will also still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act.

However, if the Company ceases to be an unlisted disclosing entity (by ceasing to have at least 100 shareholders), there will be no ongoing requirement to give continuous disclosure of matters under section 675 of the Corporations Act or to lodge half-yearly statements reviewed by an auditor. The Company would still however be required to prepare and lodge annual audited financial statements with ASIC.

ii. Chapter 6

For as long as the Company has more than 50 shareholders, it will continue to be subject to the "takeover" provisions in Chapter 6 of the Corporations Act and, as such, voting power in the Company will continue to be regulated by Chapter 6 for Shareholders who hold between 20% and 90% of the voting power in the Company (including Metrics).

iii. Related party provisions

The restrictions on the giving of a financial benefit by the Company to a related party under Chapter 2E of the Corporations Act will continue to apply.

- (f) **Constitution:** the Constitution will remain unchanged immediately following the Delisting. As such, Shareholders will continue to have the right to:

- i. exercise the voting rights attached to their Shares;
- ii. receive notices of meetings and other notices issued by the Company; and
- iii. receive dividends (if any) declared and payable by the Company from time to time.

9. Buy back or other sale facility

The Company has faced significant cash constraints in recent times, and has needed to conduct multiple capital raisings to fund its present cash requirements.

As such, the Company is not in a position to offer Shareholders a buy-back or other sale facility in connection with the Delisting. Shareholders who wish to sell their Shares prior to the Delisting may do so in the one month window between the date that Shareholder approval is obtained and the date on which trading in the Company's shares is suspended prior to the Company being formally removed from the Official List.

10. How to sell securities before and after removal from the Official List

If Shareholders wish to sell their Shares prior to the Delisting, they may do so on the ASX. If Resolution 1 is passed and the Company is to be removed from the Official List, Shareholders must sell their Shares before close of trade on Wednesday 26 July 2023 after which trading of the Company's shares will be suspended prior to the Delisting from close of trade on Friday 28 July 2023.

Following the Delisting, Shares in the Company will only be capable of sale by private transaction and there will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the Delisting. Shareholders wishing to trade their Shares will be entitled to transfer their Shares off-market to a willing third-party purchaser in accordance with the requirements of the Constitution and the Corporations Act. Shareholders can access a share transfer form at the following link: <https://investor.automic.com.au/#/support>

11. Shareholder remedies

Part 2F.1 of the Corporations Act

In circumstances where a Shareholder considers the Delisting to be contrary to the interests of Shareholders as a whole or oppressive to, unfairly prejudicial to, or discriminatory against a Shareholder or Shareholders, that Shareholder may apply to the court for an order under Part 2F.1 of the Corporations Act.

The court can make any order under section 233 of the Corporations Act that it considers appropriate in relation to the Company. This may include an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B of the Corporations Act

In circumstances where a Shareholder considers that the Delisting involves "unacceptable circumstances", that Shareholder may apply to the Takeovers Panel to make a declaration of unacceptable circumstances or orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (see also Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel).

Pursuant to section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable under section 657A of the Corporations Act, it may make any order (except for an order directing a person to comply with a requirement of Chapter 6, 6A, 6B or 6C of the Corporations Act) that it thinks appropriate to (among others) protect the rights or interests of any person or group of persons where it is satisfied that those rights or interests have been or are being affected, or will be or are likely to be affected, by the circumstances.

12. Other information

The terms of the Warrant Agreement require the Company to obtain consent from the warrant holder, Goldman Sachs International Bank, to the Delisting. The Company is in the process of obtaining this consent and expects it to be provided in advance of the Meeting.

13. Directors' Recommendation

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

14. Chair's Intention

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

Resolution 2 – Consolidation of capital

1. Background

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The Company proposes to consolidate its share capital through the consolidation of every 125 Shares into one Share (**Share Consolidation**).

The Share Consolidation ratio was determined so that the share price of the Company following implementation of the Share Consolidation would be approximately \$2 per Share, based on the closing price of the Shares of \$0.016 on 4 May 2023.

If the Share Consolidation is approved, it is expected that it will take effect on and from Tuesday, 27 June 2023.

2. Effect on Shareholders

As the Share Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject only to the rounding of fractions). As such, the Share Consolidation will have no material effect on the percentage interest of each individual Shareholder.

Similarly, other than minor changes as a result of rounding, the aggregate value of each Shareholder's Shares (and the Company's market capitalisation) should not change as a result of the Share Consolidation alone (that is, assuming no other market movements or impacts occur).

Shareholders should note that the Share Consolidation, if approved, would also have an effect on the Company's share price. The price per Share may increase proportionately to reflect the reduced number of Shares on issue (although this is not certain and may be impacted by market movements or other events). As noted above in section 1, the Company has chosen the ratio of 125:1 to achieve a price per Share of approximately \$2.

If Resolution 2 is passed, the Share Consolidation will be implemented and binding upon all Shareholders, regardless of how (or if) they vote on the resolution.

3. Reasons for Share Consolidation

At the date of this Notice, the Company has a total of 880,885,189 Shares on issue. The Share Consolidation is expected to result in a more appropriate and effective capital structure for the Company and a more appealing share price to a wider range of investors.

The Board also considers the Share Consolidation will have the following benefits:

- better market perception from investors who equate a low share price with the perception of a poorly performing company; and

- interest from quality, long term institutional investors, equity funds and lending institutions who seek stability and long term growth.

Following implementation of the Share Consolidation, the Company expects there will be 7,047,557 Shares on issue (rounded up to the nearest whole number for each holder and assuming no further share issues occur between the date of this Notice and the effective date for the Share Consolidation).

4. Treatment of fractions

Where the consolidation of a Shareholder's Shares results in an entitlement to a fraction of a Share, the fraction will be rounded up to the next whole number of Shares.

5. Options

At the date of this Notice, the Company has 4,898,369 Options on issue, held by employees, former Directors and contractors of the Company and its subsidiaries. The Options were issued under the ESOP.

The Options comprise:

- 773,369 Options with an exercise price of \$0.6173 per Share (**Employee and Contractor Options**); and
- 4,125,000 Options with an exercise price of \$2.0873 per Share (**Former Director Options**).

Listing Rule 7.22 provides that, in a consolidation of capital, the number of options on issue must be consolidated in the same ratio as the entity's ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

Accordingly, if Resolution 2 is passed, the Options will also be consolidated on a 125:1 basis, and the applicable exercise price will be revised upwards in inverse proportion to that ratio.

The following table sets out the number of Options that will be on issue and their applicable exercise price if the Share Consolidation is implemented:

Pre-consolidation		Post-consolidation	
Employee and Contractor Options			
No. of Options	773,369	No. of Options	6,188
Exercise Price	\$0.6173	Exercise Price	\$77.1625
Former Director Options			
No. of Options	4,125,000	No. of Options	33,000
Exercise Price	\$2.0873	Exercise Price	\$260.9125

6. Warrants

At the date of this Notice, the Company has 2,714,079 Warrants on issue, held by Goldman Sachs International Bank. The Warrants were issued under Listing Rule 7.1 on 16 May 2022 with Shareholder approval obtained at a general meeting held on 5 May 2022.

Under the terms of the Warrant Agreement, on exercise of the Warrants, Goldman Sachs is presently entitled to receive 2,714,079 Shares at an exercise price of \$0.1221 per Share.

In accordance with the requirements of Listing Rule 7.22, it is proposed that the Warrants will be consolidated in the same ratio as the Shares under the Share Consolidation and the exercise price of the Warrants will be amended in inverse proportion to that ratio.

Specifically, the number of Warrants on issue will be consolidated on a 125:1 basis, and the applicable exercise price will be revised upwards in inverse proportion to that ratio.

As such, following implementation of the Share Consolidation, the number of Warrants would be reduced to 21,713 and the exercise price would be increased to \$15.2625.

7. Convertible Notes

At the date of this Notice, the Company has 35,555,560 Convertible Notes on issue, held by various noteholders. The Convertible Notes were issued under Listing Rule 7.1 on 13 May 2022 with Shareholder approval obtained at a general meeting held on 5 May 2022.

Under the terms of the Convertible Note Deed Poll, the Convertible Notes are convertible into Shares based on the applicable "conversion price". At the date of this Notice, the "conversion price" is \$0.0363. The total number of Shares to be issued on conversion of the Convertible Notes is determined by dividing the aggregate face value of the Convertible Notes by the "conversion price". As at the date of this Notice, the total number of Shares which could be issued on conversion of all of the Convertible Notes is approximately 220.3 million.

The Convertible Note Deed Poll also provides that if there is any reorganisation of the issued share capital of the Company, the rights of the noteholders will be varied to the extent necessary to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

Listing Rule 7.21 provides that an entity may only reorganise its capital if, in respect of its convertible securities, the number of securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive.

If the Share Consolidation is approved by shareholders, the Company will revise the conversion price upwards from \$0.0363 to \$4.5375, being an increase that is in inverse proportion to the consolidation ratio applied to the Shares. As a result, the total number of Shares which would be issued on conversion of all of the Convertible Notes would be reduced to 1.76 million.

For the purposes of Listing Rule 7.21, the Company considers this treatment would ensure that the holders of the Convertible Notes do not receive a benefit that holders of Shares do not receive under the Share Consolidation. This is because the aggregate value of the Shares issued to noteholders on conversion of the Convertible Notes after the Share Consolidation would be the same as the aggregate value of those Shares prior to the Share Consolidation (assuming an approximate share price of \$0.016 prior to the Share Consolidation and an approximate share price of \$2 post the Share Consolidation, and that no other market movements or impacts occur that would have an effect on the share price).

8. Timetable

An indicative timetable to implement the Share Consolidation is set out in Annexure A to this Notice.

9. Directors' Recommendation

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

10. Chair's Intention

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

Resolution 3 – Change of company name

1. Background

Resolution 3 is a Special Resolution and seeks Shareholder approval for the Company to change its name to Navalo Financial Services Group Limited.

The Company's current name, Payright Limited, reflects its current product offering, as a provider of point-of-sale interest free consumer loans. The purpose of changing the Company's name is to reflect the Company's desire to provide a broader product range in the future.

The proposed name has been reserved by the Company. If Resolution 3 is passed, the Company will lodge a copy of the Special Resolution with ASIC in order to effect the change. The change of name will take effect when ASIC alters the details of the Company's registration.

2. Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

3. Chair's Intention

The Chair intends to vote all undirected proxies in favour of Resolution 3.

Glossary

“\$” means Australian dollars.

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

ASIC means Australian Securities and Investment Commission.

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.

Board means the current board of Directors of the Company.

Chair means the person chairing the Meeting.

Company or **PYR** means Payright Limited ACN 605 753 535.

Constitution means the Company’s constitution.

Convertible Note means an unsecured convertible note issued by the Company under the terms of the Convertible Note Deed Poll.

Convertible Note Deed Poll means the convertible note deed poll executed by the Company on 5 May 2022

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

Delisting has the meaning given to that term in the Explanatory Statement.

Director means a current director of the Company.

ESOP means the Employee Share Ownership Plan adopted by the Board on 28 October 2020.

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

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

Listing Rules means the official Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Metrics means MCH Investment Management Services Pty Ltd as trustee for the MCP Credit Trust 1.

Notice of Meeting or **Notice** means this notice of general meeting dated 23 May 2023 including the Explanatory Statement.

Official List means the official list of the ASX.

Option means an option issued under the ESOP which, subject to its terms, could be exercised into a Share.

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.

Security means a security of the Company and includes the Shares, Options, Convertible Notes and Warrants.

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

Share Consolidation has the meaning given to that term in the Explanatory Statement.

Shareholder means a holder of a Share.

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

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Warrant means the warrants convertible into Shares issued under the Warrant Agreement.

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

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Annexure A – Indicative Timetable

No.	Event	Date
1.	Application to delist Application for removal from the Official List submitted to ASX	Monday 22 May 2023 (occurred)
2.	Announcement Announcement regarding proposed Delisting, Share Consolidation and change of company name	Monday 22 May 2023 (occurred)
3.	Notice of meeting Notice of Meeting despatched to Shareholders	Tuesday 23 May 2023
4.	Proxies Last time and date to lodge proxy forms for the General Meeting	10.00am on Saturday 24 June 2023
5.	General Meeting held General Meeting of Shareholders held to approve: <ul style="list-style-type: none"> • the Delisting; • the Share Consolidation; and • the change of company name. 	Monday 26 June 2023
6.	Company to inform ASX Company to inform ASX of results of the General Meeting	Monday 26 June 2023
7.	Effective date for Share Consolidation Effective date of Share Consolidation (being the date specified in the notice of Meeting)	Tuesday 27 June 2023
8.	Last day for trading in pre-consolidation shares Last day for trading in pre-consolidated Shares	Wednesday 28 June 2023
9.	Deferred settlement basis Unless otherwise determined by ASX, trading in post-consolidation Shares commences on a deferred settlement basis.	Thursday 29 June 2023
10.	Record date for Share Consolidation Last day for the Company to register transfers on a pre-consolidation basis	Friday 30 June 2023
11.	First day to update the register First day for the Company to update its register and send holding statements to Shareholders reflecting the change in the number of securities held	Monday 3 July 2023
12.	Final day to update the register	Friday 7 July 2023

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No.	Event	Date
	Final day for the Company to update its register and send holding statements to Shareholders reflecting the change in the number of securities held and to notify ASX that this has occurred.	
13.	Suspension Trading in the Company's shares will be suspended	Wednesday, 26 July 2023
14.	Delisting Removal from the Official List	Friday 28 July 2023

***Note:** this timetable is indicative only and subject to change. The Company reserves the right to change the dates, subject to the Listing Rules and Corporations Act. Any extension of the date of the Meeting will have a consequential effect on the anticipated date for the Delisting.

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 Saturday, 24 June 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.



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