

## Confidential Term Sheet

THIS DOCUMENT IS A SUMMARY OF THE OFFER AND COMPANY PRESENTATION  
STRICTLY PRIVATE AND CONFIDENTIAL

OVERVIEW	
Type of Transaction	Sophisticated Investor/ Capital Raising
Country	Australia
Issuer	Wholesale Holdings Pty Ltd
Underlying Asset	Convertible Note Deed with Kalinda IT Services Pty Ltd Ltd ACN 638 046 367 ("Kalinda" or the "Company")
Raise Amount	Up to \$3,000,000
Minimum Investment	\$100,000
Unit Price	\$1
Coupon	12% PA
Offer Close Date	5pm Friday 1 <sup>st</sup> October 2021
Market capitalisation	\$17mill pre money

### OFFER DETAILS

The Trust will use the funds raised to complete the purchase of the Convertible Note, subject to all Condition Presidents being met or waived, with the Company using the proceeds for working capital to deliver on already won contracts as detailed below and in Schedule 5 of the Convertible Note Deed.

	Use of Funds	Amount
Use of Proceeds	New employees – phased over 12 months	\$1,000,000
	Marketing	\$273,500
	Working capital	\$396,000
	Capability and product development	\$330,500
	Infrastructure to support new contracts	\$1,000,000

Restrictions	Investors must be either: “(i) “sophisticated investor” as defined in section 708(8) of the Corporations Act 2001 (Cth) or (ii) “experienced investors” pursuant to section 708(10) of the Corporations Act 2001 (Cth); (iii) “professional investor” as defined in section 708(11) of the Corporations Act 2001 (Cth); or Each Investor is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.
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### Disclaimer

This Term Sheet is not a Private Placement Memorandum. It is for information purposes only and is not to be taken as a recommendation or advice to apply for shares. This Term Sheet is summary only information.

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**Underwriting**

The Capital Raise is not underwritten.

**COMPANY OVERVIEW**

Kalinda was founded in 2018 as a First Nations business. Since, it has partnered with some of the world's largest tech companies, grown quickly and become profitable.

With the Federal Government committing to spend a minimum 5% of its budget and give first preference to certified Indigenous businesses, Kalinda is in an incredibly advantageous position when pitching for business. Founder and CEO Michael Dickerson has vast leadership, technical and sales experience in the IT and data centre industries and has delivered large IT projects for ATO, CBA and Olympic Dams.

The company is raising expansion capital to grow its business - and to deliver on its already won contracts in the pipeline. This fast-growing business seems to be positioned perfectly to benefit from government incentives and legislation, the conversion valuation is attractive based on projections and the industry is expected to grow consistently.

- The company offers a full suite of IT services and specialises in edge cloud computing - a faster, cost-effective and more reliable version of traditional cloud technology.
- The company helps their customers to implement 'The Edge Cloud', a more compute-intensive and latency-sensitive structure to match the Quality of Experience (QoE) expectation of emerging applications in entertainment, retail, education, health, manufacturing, and mining.
- It has partnered with Microsoft, AWS, Oracle, IBM, Cisco, HP and more, and delivered contracts for state and federal governments and businesses such as Origin Energy MSA, QLD Rail and ASIC.
- Currently generating ~\$1.5m revenue with EBITDA of 13%.
- Forecast of over \$10m with EBITDA of 30% in 18 months. Contracts in place include Origin Energy MSA, Qld Rail, ASIC, Mac Govt, Health Alliance, Cloud CMX, Avotus contract with Westpac, Sydney Adventist Hospital, Royal Womens Hospital, Blue Mountains Shire Council.
- Current pipeline opportunities of \$16m : Telstra – Dealer Partner, QLD Education, NSW Govt, Dept of Defence, Tattarang (Mindaroo) Group (with ATOS & Frontline), iCare Managed Service, CESPHN Managed Service, IRD Avotus Opportunity, Air New Zealand Avotus Opportunity, Validity – Government Contract
- Strong and highly operational team

**Supply Nation Certification**

- Kalinda is a leading service provider among only 21 Information Technology and Information and Communications Technology companies certified by Supply Nation.
- Supply Nation is a non-profit organisation that provides a leading database of verified Indigenous businesses.
- More than 500 companies and government agencies with Reconciliation Action Plans have committed to procuring the services of, and giving first preference to, Supply Nation-certified businesses.
- The Federal Government has committed to spend a minimum 5% of its budget with Indigenous businesses; likewise state governments, typically around 3%.
- The NSW Government has also mandated every project above \$7.5 million must have 1.5% Indigenous involvement, and all projects under \$250,000 must give first preference to Indigenous companies.
- Working with Kalinda represents an incentive for companies and government bodies to meet Reconciliation Action Plan requirements.
- Significant market opportunity with the increased awareness and action around environmental, social and governance, and ethical investment and procurement.
- This favours Kalinda ahead of other non-First Nations businesses to secure service contracts with clients and government agencies and will allow great market penetration.

## INVESTMENT HIGHLIGHTS

- Exposure to 1st ranking convertible note
- Two-year term
- 12% interest rate per annum
  - Interest will be payable to the Investor as follows: in the first 12 months from the Completion Date:
    - 50% of the interest will be payable quarterly in arrears;
    - 50% of the interest will be capitalised and payable on the date that is 12 months after the Completion Date;
    - after the first 12 months from the Completion Date, the full coupon will be paid quarterly in arrears.
- Convertible at a 20% discount to \$20M Val Cap or, if the company raises more capital within the term, investors can convert at a 20% discount to the first raise price within the term, or elect to redeem the principal amount at maturity.

## FINANCIALS

Income Statement (A\$ 000's)	2020A	2021A	2022 E	2023E	2024E
Total Income	1,866.9	1,386.3	10,429.6	20,628.5	35,932.9
Direct Costs	(1,515.8)	(831.5)	(5,174.8)	(9,593.1)	(16,002.8)
Gross Profit	383.6	703.3	5,254.8	11,035.4	19,930.1
Operating Expenses	(285.7)	(295.5)	(988.3)	(1,817.7)	(3,036.2)
EBITDA	97.9	407.8	4,266.5	9,217.7	16,893.9
PAT	59.5	280.1	2,935.6	6,319.7	11,594.3

## KEY PERSONNEL

Name	Position	Biography
Michael Dickerson	CEO & Founder	Michael is CEO and Founder of Kalinda with 20+ years of experience in Data Centre and IT industries. Michael has deep technical knowledge and sales capabilities and has delivered large IT projects for ATO, Olympic Dams and CBA. His previous roles include CEO of Gambarra IT, Director of Sales and Marketing and Technical Director, Knet Technologies.
Alina Maslenka	MD	Alina has 7+ years of experience in direct and channel sales. In her previous role, she has worked as Partner Engagement Lead for Cisco Enterprise Network across Australia and New Zealand market.
Jason Papelier	CFO	Jason has 15+ years of experience as a Managing Director, CEO and Group CFO, with unique skill sets in business planning and strategy, corporate advisory, management consulting and administrative process improvements. Jason is a member of the Institute of Chartered Accountants Australia New Zealand (CAANZ) and holds an MBA from University of Queensland.
Rohan Scott	Head of Delivery	Rohan has 20+ years of experience in direct and channel delivery. He has worked on key projects like amalgamation of Virgin Australia and Velocity and has led PacNet's Data Centre global rollout , with 10,000 racks under management.

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**Andrew Lee**

**GM, Operations**

Andrew has 20+ years of experience in direct and channel operations. He is responsible for planning, managing, and coordinating the design and delivery of ICT, IoT solutions and network infrastructure.

**FOR MORE INFORMATION, PLEASE CONTACT THE ADVISORS ASSISTING WITH THE MANAGEMENT OF THIS OFFER**

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The Wholesale Holdings Kalinda Trust (**Trust**) is an unregulated managed investment scheme, which is not required to be registered with ASIC pursuant to section 601ED(1) of the Corporations Act, structured as a unit trust.

The trustee of the Trust is Wholesale Holdings Pty Ltd (ACN 644 053 798) (**Trustee**), a Corporate Authorised Representative (CAR No. 1292795) of Defender Asset Management (AFSL No. 482722) (**Licensee**) and has appointed the Licensee to arrange for the issue of units in the Trust under a Licensed Intermediary Arrangement.

**Master ECM Terms** dated 23 March 2020 available from Reach or from <http://www.afma.com.au/standards/standard-document>, will apply to this Offer.

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