Form 1

rule 2.1

IN THE SUPREME COURT OF NEW SOUTH WALES No of 2025

DIVISION: EQUITY

REGISTRY: SYDNEY

CORPORATIONS LIST

IN THE MATTER OF FLEET TECHNOLOGIES LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 152 473 482

CHRISTOPHER JOHNSON AND JOSEPH HAYES IN THEIR CAPACITY AS JOINT AND SEVERAL DEED ADMINISTRATORS OF FLEET TECHNOLOGIES LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 152 473 482)

First Plaintiffs

FLEET TECHNOLOGIES LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 152 473 482)

Second Plaintiff

AFFIDAVIT OF CHRISTOPHER JOHNSON

On 6 June 2025, I, Christopher Johnson of Level 17, 68 Pitt Street, Sydney NSW 2000, Chartered Accountant and registered liquidator, say on oath:

PART I BACKGROUND

1. I am one of the joint and several deed administrators of the Second Plaintiff, Fleet Technologies Limited (Subject to Deed of Company Arrangement) (**Fleet** or the **Company**).

2. The other joint and several deed administrator of Fleet is Joseph Hayes (**Mr Hayes**). I refer to Mr Hayes and myself collectively as the **Deed Administrators**, **Administrators**, **we, our** or **us** as is appropriate in the context. Unless stated otherwise, where I refer to "our appointment", I am referring to the appointment of Mr Hayes and me as Administrators of the Company.

3. I am authorised by Mr Hayes to make this affidavit on his behalf and thus on behalf of the Deed Administrators.

4. I do not have personal knowledge of all of the facts detailed in this affidavit.

5. Where I depose to facts and matters in this affidavit or refer to documents that are not from my personal knowledge, I do so from the following sources:

   (a) historical and current extracts from the database of the Australian Securities and Investments Commission (**ASIC**); and

   (b) the books and records (including electronic records) of Fleet and based on the investigations as Administrators which were carried out in the external administration of Fleet.

6. Generative artificial intelligence was not used to generate:

   (a) this affidavit; and

   (b) any annexures/exhibit to this affidavit.

7. Exhibited to me at the time of swearing this affidavit and marked "**CJ-1**" is a bundle of paginated documents (the **Exhibit**). Unless otherwise specified, a reference in this affidavit to a **tab** or a **page** is a reference to the document at the tab or page number in the Exhibit.

8. As a part of our investigations, we have caused to be prepared a number of tables and graphs to summarise information and data that has been extracted from the books and records (including electronic records) of the Company. Where tables and graphs have been included in this affidavit, these have been prepared by members of my staff under my supervision and I have referenced the table or graph with the words "Source: Administrators' Analysis". Where tables and graphs have been reproduced from the Companies' records, I have referenced the table with the words "Source: Company records".

My Experience

9. I am a Chartered Accountant and a registered liquidator and have been a partner of the firm Wexted Advisors since 2023.

10. I have over 17 years' experience in restructuring, turnaround and insolvency.

Application

11. This affidavit is sworn in support of the Originating Process (**Application**) seeking orders, amongst other things, that the Deed Administrators be granted leave to transfer all of the issued shares of Fleet to Mark Osborn or his nominee (**Deed Proponent**), pursuant to section 444GA(1)(b) of the *Corporations Act 2001* (Cth) (**Act**).

12. The making of the order sought in paragraph 11 above will satisfy a condition precedent of the deed of company arrangement executed by the Company, the Deed Administrators and the Deed Proponent on 28 April 2025 (**DOCA**). The DOCA and its conditions precedent are discussed in detail in paragraphs 95 to 104 below.

PART II FRAMEWORK OF THIS AFFIDAVIT

13. I make this affidavit within the following framework:

L.	**Deed Administrators' opinion and relief sought**	129 to 143
M.	**ASIC Relief**	144 to 148
N.	**Service on members of the Company**	149 to 155

A. Fleet's affairs

A.1 Background

14. Fleet commenced trading in 2011. Fleet provides a platform as a service (**PaaS**) to ground transport companies focussing on taxi and private hire that is also applicable for waste management and last mile logistics.

15. Fleet is a public (but unlisted) company. The issued shares capital of Fleet comprises 118,301,115 ordinary shares and 989,297,878 preference shares. Fleet has more than 50 members.

16. At **tab 1** is a copy of a current and historical extract as maintained by the Australian Securities and Investments Commission (**ASIC**) in respect of the Company obtained on 5 June 2025 which records that:

    (a) the Company was incorporated on 4 August 2011;

    (b) the Company was formerly known as Ingogo Pty Ltd (from its incorporation until 17 December 2014) and Ingogo Limited (from 18 December 2014 to 11 January 2023);

    (c) as at the time of our appointment and until 28 April 2025, the directors were Garry Duursma, Matthew Juracich, Ben Scott and Simon Bayley (the **Former Directors**);

    (d) from 28 April 2025 onwards, the Company's directors are Paul Bide and Mark Osborn (the **New Directors**) who were appointed pursuant to the terms of the DOCA; and

    (e) the company secretary is Louis Henry Persohn having occupied that role since 9 October 2018.

17. In this affidavit, a reference to the Company's management is a reference to the Former Directors and / or Mr Persohn.

18. At **tab 2** is a list of shareholders of the Company as at the date of our appointment as administrators (the **Shareholders**).

19. Since its incorporation, the Company had raised debt and equity of approximately $52 million to fund its technology development and to pursue strategic pathways in the transport industry including its expansion into the Western Australian taxi market and its attempted entrance into the transport market in the United States.

20. Between 17 August 2022 and 25 February 2025, the Company raised total capital of $4,975,297.32 in convertible notes, at an 8% interest rate, with a maturity date of 30 June 2025 (**2022 Convertible Note**).

21. Since our appointment as Administrators, we have undertaken the following investigations (**Investigations**):

(a) ASIC and real property searches for the Company and the Former Directors;

(b) Personal Property Securities Register searches;

(c) Reviewed the Company's records to identify and liaise with potential creditors;

(d) Prepared and issued initial correspondence to all potential creditors from 27 March 2025;

(e) Held discussions with the Forner Directors, creditors and other key stakeholders of the Company;

(f) Liaised with the Company's accountants with respect to the Company's books and records;

(g) Issued requests to the Former Directors to complete a Report on Company Activities and Property (**ROCAP**) and a director's questionnaire and to deliver the books and records of the Company;

(h) Reviewed and considered the ROCAP submitted by the directors on 2 April 2025;

(i) Reviewed the books and records of the Company, including:

(i) Extracts of the Company's accounting records for the period from 1 July 20241 to our appointment;

(ii) Bank statements for the 12-month period prior to our appointment; and

(iii) Creditor proof of debts received including supporting documentation.

(j) Conducted investigations into potential insolvent trading and voidable transactions claims.

A.2 Brief financial overview of the Company

22. As at the date of our appointment the Company's key assets were:

(a) cash and cash equivalents;

(b) trade debtors and other receivables;

(c) pre-paid expenses;

(d) patents;

(e) Platform Development (an intangible asset discussed in more detail at paragraph 41(c) below); and

(f) office equipment and furniture.

I refer to the Company's assets and liabilities on its balance sheet further in paragraphs 39 to 40 below.

23. As at the date of our appointment as Administrators, Fleet's major creditors (other than employees) were:

(a) Innovation Structured Finance Co., LCC trading as Radium Capital (see paragraph 49 below);

(b) Artesian HP VC Fund;

(c) Flywheel Software Inc;

(d) Riyeh Ventures LLC; and

(e) Simon Bayley & Edina Grosz (as trustees of the Belapest Investment Trust).

24. As at the date of our appointment as Administrators, there were 17 employees identified in the books and records of the Company. According to the management accounts of the Company, the outstanding employee entitlements were $565,028.45 (excluding PILN & Redundancy) or $1,394,018.11 (including PILN & Redundancy), comprising:

(a) Pay in lieu of notice: $211,937.52;

(b) Redundancy: $617,052.15;

(c) Superannuation: $60,118.46; and

(d) Annual and long service leave: $504,909.99.

25. We confirmed that, upon our appointment, the Company had 17 employees. However, our own estimates of the potential total liabilities to employees (including PILN & Redundancy) is about $1,185,000 (as set out further below in paragraph 49(b)1.1.1(b)).

26. Since our appointment as Administrators, the Commissioner of Taxation (**ATO**) has submitted a proof of debt in the amount of $247,465.67 relating to amounts outstanding on the Company's running balance account (**ATO Debt**). We note that the Company entered into a payment plan with the ATO in February 2025 in respect of PAYG liabilities for January and February 2025.

27. We have not yet formally adjudicated on the ATO's Debt or any other proof of debt.

B. Appointment of Administrators

28. By way of overview, the following timeline has been prepared from our Investigations in relation to the Company's business, property, affairs and financial circumstances. The timeline summarises key events in the Company's history leading up to our appointment as Administrators.

Date	Event
4 August 2011	The Company was incorporated and originally traded as Ingogo Pty Ltd.
18 December 2014	The Company became an unlisted public company and became known as Ingogo Ltd.
1 February 2021	The Company entered into the WA taxi market through 50% owned subsidiary Fleet Mobility Pty Ltd (**Fleet Mobility**). Fleet Mobility enters into a subscription agreement with ComforDelGro Swan Pty Ltd and Swan Taxis Pty Ltd (together, **Swan Taxis**), the ultimate parent company of which was ComfortDelGro Corporations Limited) for an initial term of 3 years (**Swan Taxi Agreement**).
August 2022 — February 2025	The Company raised $4,975,297.32 in convertible notes, at an 8% interest rate (with interest capitalising), with a maturity date of 30 June 2025 on an equity valuation of $20 million with a 30% discount to fund operations and the expansion into the WA taxi market (through the performance of its obligations pursuant to the Swan Taxi Agreement) and planned expansion into the US transport market.
12 June 2024	The Swan Taxi Agreement was terminated.
12 June 2024 — early 2025	Attempts are made to resolve a contractual dispute between Fleet Mobility and Swan Taxi concerning the Swan Taxi Agreement, however, no resolution is reached.
Early 2025	The Company unsuccessfully attempted to obtain further debt funding to pursue its expansion into the transport market in the US but received limited interest. This delays the product launch in the US.
20 March 2025	The Company issued an update to Shareholders advising that the Company is facing financial difficulty and inviting Shareholders to assist the Company financially (see more information at paragraphs 51 to 52 below).

25 March 2025	The Former Directors (who were the directors at that time) resolved to appoint the Administrators pursuant to section 436A of the Act.

29. Based on our Investigations, including meetings with the Former Directors, and our review and consideration of the ROCAP submitted by the Former Directors (a copy of which is at **tab 3**), the main reasons for the Company's financial difficulties were:

    (a) management's inability to raise further funding from third-parties which delayed the Company's entry into the US market; and

    (b) the termination of the Swan Taxis Agreement and the subsequent delays in reaching a commercial settlement with Swan Taxi.

30. Given the loss-making nature of the business (with the Company having, on average, suffered monthly losses of about $237,000 in the 12 months preceding our appointment), the failure to secure additional funding, by way of further equity or debt, resulted in the appointment of the Administrators on 25 March 2025.

31. At **tab 4** is a copy of the ASIC Form 505 confirming the appointment of the Administrators.

32. The first meeting of creditors of the Company was held on 4 April 2025 (**First Meeting**). At **tab 5** is a copy the minutes of the First Meeting.

C. Historical Financial Performance of Fleet

C.1 Financial position

33. The Company's financial accounts were historically prepared on a going concern basis for the financial year ended 30 June.

34. The Company maintained its management account reporting through Xero accounting software. Since our appointment, management has provided us with access to the Company's Xero accounts. We have also been provided access to the Company's Google Drive which includes various books and records of the Company. We have also sighted audited financial statements and a cash flow forecast prepared by the Company's Chief Financial Officer on a cash basis for the

period from January to June 2025. Although we have sighted the audited financial statements, we have not audited or verified the information contained therein.

35. A copy of the Company's statutory accounts are located in the Exhibit as follows:

(a) for the financial year ended 30 June 2022 — **tab 6**;

(b) for the financial year ended 30 June 2023 — **tab 7**; and

(c) for the financial year ended 30 June 2024 — **tab 8**.

36. A copy of the Company's management accounts for the period from 1 July 2024 to 25 March 2025 (**FY25 YTD**) is at **tab 9**.

37. Using the financial statements and management accounts, I have caused the below table below to be prepared that summarises the profit and loss statements for the Company for FY22, FY23, FY24 and FY25 YTD (being the 2025 financial year up to the date of our appointment) (together, **Pre-Administration Period**).

Fleet Technologies Limited (Administrators Appointed)				
Profit and Loss	**2022**	**2023**	**2024**	**FY25YTD**
Trading Income	249,016	1,971,405	1,161,081	387,299
Cost of Sales	240,997	627,186	678,237	349,355
Gross Profit	8,019	1,344,219	482,845	37,945
GP Margin (%)	3.2%	68.2%	41.6%	9.8%
Other Income	312,549	974,935	1,129,281	202,769
Operating Expenses	1,932,818	3,148,130	3,601,943	2,727,937
Net Profit	**(1,612,251)**	**(828,976)**	**(1,989,817)**	**(2,487,224)**

Source: Administrators' Analysis of Company Records

38. I make the following observations regarding the Company's profit and loss statements during the Pre-Administration Period:

(a) the Company generated losses throughout the Pre-Administration Period which eroded the limited working capital available, which meant that the Company was reliant on external funding;

(b) 50% of the revenue from the Swan Taxi Agreement was received by the Company until termination of the agreement. The termination of the Swan Taxi Agreement in June 2024 was therefore a key contributor to the reduction in revenue in FY25 YTD. The reduction in revenue also led to the reduction in gross margin observed in FY25 YTD;

(c) despite the substantial decline in revenue, the Company's salaries and wages expenses did not decline in that period;

(d) the Company received various research and development (**R&D**) tax refunds which are included in other income; and

(e) the sustained losses demonstrate there was insufficient net profit to pay dividends to Shareholders in the Pre-Administration Period.

39. I have also caused a summary of the balance sheet of the Company for each of FY22, FY23, FY24 and FY25YTD to be prepared using the financial statements and management accounts which is set out below:

Fleet Technologies Limited (Administrators Appointed)				
Balance Sheet	**2022**	**2023**	**2024**	**FY25YTD**
Current Assets	1,248,059	1,441,669	1,409,203	220,459
Non-Current Assets	1,476,795	1,535,456	1,823,396	2,216,595
Total Assets	**2,724,853**	**2,977,125**	**3,232,599**	**2,437,054**
Convertible Note 2022	0	1,444,127	3,354,422	5,479,676
Other Current Liabilities	2,390,320	1,925,700	2,203,551	1,769,976
Total Liabilities	**2,390,320**	**3,369,827**	**5,557,973**	**7,249,652**
Net Assets	**334,533**	**(392,702)**	**(2,325,374)**	**(4,812,597)**
Current asset ratio	0.52	0.75	0.64	0.03

Source: Administrators' Analysis of Company Records

40. I make the following observations regarding the Company's balance sheet during the Pre-Administration Period:

(a) the Company had a net asset deficiency in the period from at least 30 June 2023 to the date of our appointment;

(b) the Company had a current ratio (that is, current assets to current liabilities) of less than one over the whole of the Pre-Administration Period indicating that current assets were insufficient to discharge current liabilities and causing the Company to be reliant on external sources of fundings (i.e. further equity raises and debt) to meet current liabilities;

(c) the increase in total liabilities from FY23 to FY25 YTD is primarily attributable to the obligations incurred by the Company in accordance with the 2022 Convertible Notes, which were due to be repaid on 30 June 2025; and

(d) the Company issued a further $2.1 million of convertible notes in FY25 for working capital and to fund trading losses, which contributed to the substantial decline in net assets from FY24 to FY25YTD.

C.2 Assets

41. As at the date of our appointment, the Company's key assets were:

(a) cash at bank of about $72,942. This cash figure includes a security deposit in relation to an outstanding credit card debt. We previously estimated that the realisable value of the cash balance once the security deposit is set off against the credit card debt would be $30,215, however due to additional credit card charges the cash balance ultimately receivable is expected to be $13,438;

(b) limited property, plant and equipment, primarily comprising office equipment and furniture, which we have estimated has a likely realisation value of between $7,000 and $21,000;

(c) a "Platform Development" software with a book value of $3,598,440. This is an intangible asset and represents the proprietary platform for the Company's business model. The platform has been internally developed and incorporates unique software code, interface designs and proprietary algorithms. Based on the limited offers received during the sales campaign (with the highest offer being $50,000), the Administrators' view is that the book value of this asset materially exceeds its realisable value;

(d) trade and other receivables in the amount of $57,500. This amount comprises amounts owed by Flywheel Technologies Inc (**Flywheel Debt**) and a further amount owed by Jones Lang LaSalle for the refund of a rental bond. Based on our investigations (including discussions with the Former Directors), we understand that the Flywheel Debt is not considered to be recoverable (although we issued demands to all debtors including Flywheel and any recoveries will contribute to the Deed Fund (as discussed further below));

(e) a patent with a book value of $23,000. While we did not conduct investigations into the recoverability of that patent or its realisable value, based on offers received during the sales campaign, we do not consider the patent is of material value; and

(f) the shares held in Fleet Mobility (the details of which are addressed further below).

42. We have not found anything to suggest that there are any inter-company receivable or director loan accounts.

C.3 Swan Claim

43. As mentioned above, Fleet is a 50% shareholder in Fleet Mobility. At **tab 10** is a current and historical extract as maintained by ASIC in respect of Fleet Mobility obtained on 5 June 2025.

44. Fleet Mobility was a joint venture between Fleet and Net-cabs Pty Ltd (**Net-cabs**). The profits of that joint venture were shared equally between Fleet and Net-cabs.

45. The primary business of Fleet Mobility was the provision of services to Swan Taxis in accordance with the Swan Taxi Agreement.

46. The Swan Taxi Agreement was for an initial term of 3 years, and essentially provided, among other things, for:

(a) Swan Taxis to replace its current taxi dispatch and in-vehicle system with Fleet's PaaS taxi dispatch and related in-vehicle systems and for Swan Taxis to pay Fleet Mobility a software subscription fee for the use of the platform; and

(b) Fleet Mobility to supply a hardware package to Swan.

47. On or about 24 June 2024, the Swan Taxi Agreement was terminated by Swan Taxis.

48. Based on our Investigations, our review of the books and records and the ROCAP and our discussions with the Former Directors:

(a) Fleet Mobility has a potential claim against Swan Taxis in relation to various breaches of the Swan Taxi Agreement (**Swan Claim**).

(b) On 27 February 2025, Fleet Mobility issued a letter of demand to Swan Taxis (via its subsidiary, A2B Australia) setting out particulars of the Swan Claim and demanding the payment of damages arising out of Swan Taxis' breach of the

Swan Taxis Agreement. At **tab 11** is a copy of the letter of demand dated 27 February 2025 and enclosure.

(c) Proceedings in relation to the Swan Claim have not been commenced nor has Fleet Mobility or the Company received any formal legal advice as to the prospects of successfully prosecuting the Swan Claim.

(d) The least contentious component of the Swan Claim relates to software subscription fees lost as a result of Swan Taxis' early termination of the Swan Taxi Agreement in the amount of approximately $994,391 (**Software Subscription Claim**) calculated based on:

(i) the balance of the software subscription fees for the remaining 10 months of the contract period from 1 September 2024 to 30 June 2025 based on the minimum commitment of 1,000 vehicles; and

(ii) payments made by Swan Taxis in December 2024 against partial subscription fees for the period from 1 September 2024 to 30 November 2024.

(e) If the Software Subscription Claim is brought and assuming that the full amount of the claim is recovered (by way of settlement or judgment) and is thereafter paid to the shareholders of Fleet Mobility, an amount up to $500,000 could potentially be paid to the Company. This is before deduction of the legal costs and expenses incurred in bringing the Software Subscription Claim which would likely reduce any amount ultimately paid to the Company. It also assumes that the whole of the recoveries will be paid by Fleet Mobile to its shareholders. Based on our Investigations, Fleet Mobility does not have any creditors.

C.4 Liabilities

49. As at our appointment, the Company's liabilities were as follows:

(a) approximately $382,000 owed to Innovation Structured Finance Co LCC trading as Radium Capital (**Secured Creditor**), which has first-ranking registered security interests over the property of the Company. The Secured Creditor's security interest also extends to the Company's future R&D tax refunds for the year ending FY25, and a featherweight security over all assets of the Company, to the secured value of $5,000;

(b) employee entitlements (excluding PILN and redundancy payments) which, at the time of our appointment, were $565,028.45. In a liquidation scenario, we estimate employee entitlements including PILN and redundancy payments and excluding excluded employee entitlements (for example non-priority amounts owing to employee directors) to be about $1,100,000;

(c) approximately $5.5 million (being the principal amount raised by the 2022 Convertible Note of $5 million plus interest which accrued prior to our appointment) owed to holders of the Convertible Noteholders (**Noteholders**);

(d) the ATO Debt of $247,465.67;

(e) the amount of $3,047.27 owed to iCare Claim with respect to unpaid workers compensation premiums; and

(f) approximately $163,600 owing to other creditors (excluding statutory creditors like the ATO Debt) such as trade creditors – although the book value of these debts due to other creditors is $445,400, our estimate (based mainly on proof of debt received to date) is that the book value is overstated.

50. As at our appointment, the Company was not in arrears with respect to its leased premises at Ground Floor, 50 Miller Street North Sydney NSW 2060 (**Lease**) and otherwise there were no outstanding liabilities under the Lease.

D. Failed recapitalisation process

51. On 20 March 2025, the Company issued an update to Shareholders (**Shareholders Update**) advising that the Company was facing financial difficulties as a result of:

(a) delays resolving the contract dispute with Swan Taxis;

(b) delays in launching into the US market;

(c) difficulty raising further capital from existing investors / noteholders and also attracting new investors; and

(d) recent uncertainty in global capital markets.

A copy of the Shareholders Update is at **tab 12**.

52. In response to the Shareholders Update:

(a) no Shareholders responded with offers of financial support; and

(b) the majority of Shareholder enquiries related to the timing of the declaration of shares as being of nil value, and whether this would occur before 30 June 2025 for tax planning purposes.

53. The Convertible Note 2022 of approximately $5 million was due to mature on 30 June 2025 at which time the debt would be automatically converted to equity pursuant to the terms of the note. The conversion of the debt to equity would not result in any new capital injection as based on our Investigations, the amounts under the note had previously been utilised by the Company to meet losses and for working capital.

E. Commentary on solvency

54. As set out in detail below, we have concluded that Fleet was insolvent from as early as 31 December 2024 and remained insolvent from that point onwards until our appointment as Administrators.

55. Our analysis of Fleet's solvency position includes an analysis of the financial position based on a balance sheet test and a cash flow test. We have proceeded on the basis that solvency is dependent on the ability of a company to generate sufficient cash flows to meet payment of its debts as and when they fall due (known as the 'cash flow test'), although the ability of a company to meet liabilities from the company's assets on hand (known as the 'balance sheet test') is also relevant.

E.1 Balance Sheet Test

56. During the course of our Investigations, we considered whether Fleet had the ability to meet liabilities from assets on hand at various times.

57. The balance sheet test is an indicator of a company's insolvency if its total liabilities exceed total assets. This is known as the net asset position.

58. At paragraph 39 above is a summary of the balance sheets for the Company for each of FY22, FY23, FY24 and FY25YTD which we prepared using the financial statements and management accounts of the Company.

59. I make the following observations regarding the Company's balance sheet during the Pre-Administration Period:

(a) the Company had a net asset deficiency in the period FY23 to the date of our appointment – that is, its total liabilities exceeded its total assets; and

(b) the Company had a current working capital ratio of less than one over the Pre-Administration Period, which indicates that Fleet had insufficient assets to finance its liabilities as and when they fell due.

60. From the above analysis, it is apparent the Company had negative net working capital to finance its current liabilities from FY23 to the date of our appointment, which is an important indicator of insolvency.

61. From a balance sheet perspective, we consider that the Company was balance sheet insolvent consistently from FY22 onwards and maintained a negative asset position from at least that time until the appointment of the Administrators.

E.2 Cash Flow Test

62. Our Investigations indicate that the Company has accrued cumulative trading losses since incorporation of approximately $49 million. The Company was reliant on external funding (debt and equity) and also R&D tax grants to fund its development, business operations and working capital requirements.

63. To consider solvency from a cash flow perspective, we considered the Company's ability to meet ongoing liabilities using its available cash and other resources.

64. I have caused the following table to be prepared to compare some key profit and loss metrics between certain dates in FY24 and FY25 (in reverse chronological

order):

Profit and Loss Metrics ($) as at	25 Mar 2025	28 Feb 2025	31 Jan 2025	31 Dec 2024	30 Nov 2024	30 June 2024
Cash at Bank	72,942	197,745	293,111	532,119	267,935	321,507
Gross Profit Margin	92%	0%	4%	56%	-37%	18%
Net Profit / (Loss)	(39,938)	(355,487)	(362,712)	(341,026)	(278,701)	153,614

Source: Administrators' Analysis of Company Records[1]

65. The above table demonstrates that the Company continued to generate net losses in the months leading up to our appointment and therefore required continued external funding (primarily through capital raises). The net profit achieved in June 2024 is largely attributable to the payment of a research and development refund from the ATO in that month. The net profit achieved in June 2024, when excluding the receipt of the R&D refund is a loss of ($172,996.54).

66. The Company's cash at bank balance over the six-month period prior to our Appointment was generally less than the trading loss incurred for that month which further demonstrates the extent of the Company's reliance on ongoing external funding to continue funding its monthly expenditure (i.e. the Company held insufficient cash to fund its losses).

67. I have caused the following table to be prepared from the Company's records to illustrate the external funds raised by the Company in the period from October 2024 until our appointment (in reverse chronological order):

Fund Raised	< 1 Month	1 Month Feb-25	2 Months Jan-25	3 Months Dec-24	4 Months Nov-24	5 Months Oct-24	Total
Total Fund Raised	0	75,000	70,000	415,000	260,000	376,702	1,196,702

Source: Administrators' Analysis of Company Records[2]

68. I have also caused the following table to be prepared from the Company's records to highlight when the Company's outstanding debts to general unsecured trade creditors (excluding statutory creditors) were incurred (in reverse chronological order):

1 The difference in the February 2025 figure, compared to the figure used in the Administrators' report to creditors in advance of the second meeting of creditors, is due to management completing the accounts to include the total operating expenses for the month of February 2025 in Xero subsequent to our extraction of the relevant data.

2 The difference in the figures set out in the above table, compared to the figures used in the Administrators' report to creditors in advance of the second meeting of creditors, is due to management updating the figures initially provided to us and set out in that report.

Aged Payables	< 1 Month	1 Month Feb-25	2 Months Jan-25	3 Months Dec-24	4 Months Nov-24	5 Months Oct-24	Total
Total Aged Payables	60,538.83	19,480.15	20,361.45	13,232.42	28,592.46	39,490.00	181,695.31
Percentage of Total	33.32%	10.72%	11.21%	7.28%	15.74%	21.73%	100.00%

Source: Company Records

69. The table demonstrates that Company was able to meet some of its debts as and when they fell due (but not all of its outstanding liabilities) as a result of its various capital raises.

70. Having regard to:

(a) the Company's current working capital asset ratio being below 1.0 since as early as 30 June 2023;

(b) the average monthly loss of $237,000 (for the 12 month period prior to the appointment);

(c) the Company's payment plan with the ATO;

(d) 44.7% of aged payables being over 90 days outstanding in the period prior to our appointment;

(e) the amount of debt raised during the Convertible Note 2022, which was due to be repaid by 30 June 2025 (and, even if converted to equity, would not have provided any fresh capital injection for the reasons set out above); and

(f) the Company's continued ability to raise funding via capital raises up to 25 February 2025, albeit that this funding was insufficient to meet all due and payable liabilities (the Company had raised $145K from the Convertible Note 2022 since 31 December 2024),

we consider that the Company was likely to have been insolvent at least from as 31 December 2024 (but possibly earlier) and at all times thereafter until our appointment.[3]

3 The reasons for the Administrators' views concerning solvency are set out in greater detail in section 8.6 of the Administrators' report to creditors in advance of the second meeting of creditors. At section 8.6.3 of that report, we also set out some of the indicia of insolvency as it relates to the Company.

71. In summary, it can be seen from the financial data provided by the Company, and the Administrators' analysis, that the Company was insolvent when it entered into administration. It was unable to pay its unsecured creditors in full, let alone pay any dividends to Shareholders.

72. The Administrators therefore see the value of the shares in Fleet as being worthless on our appointment as the Company itself was insolvent. Furthermore, if the Company were to be wound up, we estimate an additional $828,989.66 would have become payable in respect of employee redundancy entitlements and payment in lieu of notice, which would have further reduced the return available to creditors and worsened the net asset position of the Company.

F. Trading of the business

73. Based on our Investigations and discussions with management, we understood that various of the Noteholders agreed to provide funding to the Administrators to continue to trade the business of the Company during the administration period (**Administration Funding**). We also understood that various of those Noteholders were considering providing a deed of company arrangement proposal.

74. I received an initial proposal on 10 April 2025 from Mark Osborn, the Deed Proponent (**initial DOCA proposal**). Based on the information that was available to me, it appeared that the initial DOCA proposal prima facie sought to achieve the objects of Part 5.3A of the Act in that it maximised the chances of the Company, or as much as possible of its business, continuing to exist, and sought to generate to a better return to creditors than an immediate winding up.

75. Over the course of the Administration (with the majority of funds being received shortly following our appointment), a group of Noteholders (**Financiers**) provided non-recourse funding of about $500,000, being the Administration Funding, to the Administrators for the purposes of funding:

    (a) the trade on operations of the Company (including wages, rent and other trading costs); and

    (b) the Administrators' remuneration and expenses (including legal fees), up to the date of the second meeting of creditors so that the foreshadowed initial DOCA proposal could be formulated and submitted.

76. The Administrators continued to trade on the business to maximise the chances of the business continuing, either through a sale process or through a potential deed of company arrangement. The decision to trade on was subject to receiving funding from the Financiers and was regularly reviewed.

77. The Administrators proceeded to trade on the business during the administration period, whilst carefully monitoring the cash flow on a daily basis to ensure that:

(a) the business was preserved so that a going concern sale process could be undertaken; and

(b) any person could submit a deed of company arrangement proposal, which would secure the ongoing trade of the business, including the employment of staff.

78. During the administration period, we also, *inter alia*:

(a) conducted an urgent assessment of the financial position of the business and operations of the Company, and considered whether it was in the interests of creditors and stakeholders to continue to trade the business;

(b) reviewed and updated cashflow forecasts up to the date of the second meeting of creditors (which was held on 24 April 2025) (**Second Meeting**), obtained clarification on the initial DOCA proposal from the Deed Proponent with respect to the retention of all employees and entitlements, and in parallel undertook a marketing process for the possible sale of the business (as set out further below);

(c) paid employees and established a purchase order system and reviewed / authorised purchase orders to suppliers;

(d) paid invoices, where supported by validly approved purchase order from the Administrators; and

(e) liaised with employees, customers and suppliers.

G. Sale of business

79. Notwithstanding the initial DOCA proposal, shortly after our appointment, we commenced an expedited process for the possible sale of the Company's business and assets, in order to maximise the potential return to creditors (**Sales Campaign**).

80. The Sales Campaign was expedited due to:

(a) the limited cash at bank on appointment (see paragraph 41(a) above);

(b) the need to fund and preserve the value of the Company;

(c) the limited Administration Funding provided to trade on the business and meet administration fees and expenses; and

(d) the desirability of finalising the sales process earlier into the period of the administration so that any acquisition offers and DOCA Proposals could be considered, compared and presented to creditors in advance of the Second Meeting).

81. In order to facilitate the expedited sale process, immediately upon our appointment, we commenced obtaining relevant information from the Company and its management personnel to be uploaded into a data room (**Data Room**). We also planned the sale campaign, considered the most appropriate sales process, and drafted a sales flyer.

82. On 31 March 2025, we caused to be placed an advertisement in the Australian Financial Review (**Advertisement**). The Advertisement included a QR code directing readers to the Data Room. Parties were required to execute a Confidentiality Agreement in order to access the Data Room. The Advertisement also requested urgent expressions of interest. A copy of the Advertisement is at **tab 13**.

83. The Advertisement required:

(a) non-binding indicative offers (**NBIO**) to be submitted by 8 April 2025; and

(b) binding offers to be submitted by 11 April 2025.

84. Over the course of the next week, we caused to be uploaded further material to the Data Room, including financial models and other relevant confidential material that became available to them.

85. As a result of the Advertisement, we received:

(a) expressions of interest from 18 interested parties; and

(b) executed confidentiality agreements from 10 parties after which those parties were provided with access to the Data Room.

86. By 8 April 2025, the Administrators had received two NBIOs. However, those NBIOs were only in respect of the Company's software (i.e. the asset referred to as "Platform Development"). The NBIOs were subject to further due diligence. Relevantly, those offers did not contemplate the retention of employees or the purchase of the business of the Company as a going concern. The NBIOs offered consideration ranging in value from $35,000 to $50,000.

87. By 11 April 2025, the Administrators had not received any binding offers.

88. Prior to issuing the Second Report, the Administrators contacted the two parties who submitted NBIOs to enquire whether they intended to submit a binding offer. Ultimately, both parties advised that they did not wish to make a final offer.

89. Additionally, the Administrators did not receive any other alternative deed of company arrangement proposals from any of the interested parties or any other party other than the Deed Proponent.

90. Based on the outcome of the Sales Campaign, we concluded that even though the sales process was carried out in an expedited manner, the lack of serious interest by any parties indicated there was not sufficient value in the business that would result in a return to unsecured creditors greater than was anticipated by the initial DOCA proposal (as subsequently formulated in the proposal that was put before creditors at the Second Meeting, as set out further below).

H. Second meeting of creditors

91. On 14 April 2025, the Administrators finalised and issued the Second Report to creditors pursuant to section 75-225 of the *Insolvency Practice Rules (Corporations) 2016*. A copy of the Second Report is at tab **14**.

92. The Second Report sets out in detail, among other things, the following:

    (a) the Administrators' preliminary Investigations;

    (b) the historical and financial performance and position of the Company;

    (c) the conduct of the administration including the trading of the business during the administration and the Sales Campaign;

    (d) the Administrators' views concerning the solvency of the Company;

    (e) the potential offences and litigation recoveries;

    (f) an analysis of the estimated return to creditors in a DOCA scenario (as envisaged by the DOCA Proposal, as set out further below) compared to a liquidation of the Company; and

    (g) estimated return to creditors.

93. On 24 April 2025, the second meeting of creditors of the Company was held pursuant to section 439A(1) of the Act (**Second Meeting**). At the Second Meeting, the creditors of the Company overwhelmingly resolved, amongst other things, that the Company execute a deed of company arrangement (**the DOCA**). A copy of the minutes of the Second Meeting is at **tab 15**.

94. Details of the DOCA Proposal and the DOCA are set out below.

I. DOCA

95. On or about 14 April 2025, the Administrators received an updated version of the initial DOCA proposal from the Deed Proponent (**DOCA Proposal**). At **tab 16** is a copy of the DOCA Proposal.

96. The DOCA Proposal contemplated the ongoing trade and continuation of the business and the ongoing employment of all of the Company's employees and the preservation of all employee entitlements.

97. The Administrators formed the view that the DOCA Proposal was more favourable to creditors of the Company than if the Company were to enter liquidation for the following reasons, among others:

(a) the DOCA Proposal allowed for the ongoing trade of the business, including the ongoing employment of the Company's 17 employees (whose substantial liabilities for redundancy and payment in lieu of notice would otherwise crystallise on a winding up);

(b) under the DOCA Proposal, all employees' entitlements were preserved;

(c) under the DOCA Proposal, the property lease continued so as to avoid the Company incurring liabilities for make good or for loss to the landlord from an early termination of the lease;

(d) the DOCA was to include a deed fund (**Deed Fund**) comprising:

(i) the funds recovered from the Company's pre-appointment bank accounts;

(ii) any surplus funds from the Administration Funding;

(iii) the funds recovered from the Company's debtors; and

(iv) a contribution from the Deed Proponent of $100,000;

(e) the DOCA Proposal allowed for the Noteholders to be Non-Participating Creditors, that is, they would not be entitled to make a claim against the Deed Fund nor receive a dividend paid from the Deed Fund;

(f) the Secured Creditor would not be bound by the DOCA;

(g) the DOCA Proposal would result in a significantly higher return to creditors than in a liquidation scenario;

(h) the DOCA Proposal avoided the time and cost of liquidator investigations which may not ultimately yield recoveries in excess of the Deed Fund; and

(i) The DOCA proposal provided for an increased estimated distribution to all unsecured creditors, paid in a more timely manner than in a liquidation.

98. In the Second Report, we:

(a) prepared an analysis of the estimated return to creditors in a DOCA scenario (as envisaged by the DOCA Proposal) compared to a liquidation of the Company based on various assumptions (see paragraph 115 below);

(b) included a statement in accordance with section 75-225(3)(b) of the *Insolvency Practice Rules (Corporations)* setting out the Administrators' opinion that the DOCA Proposal should be accepted having regard to the relative advantages and disadvantages of the DOCA Proposal and the alternative liquidation scenario.

99. As set out earlier, at the Second Meeting held on 24 April 2025, the creditors of the Company overwhelmingly resolved that the Company execute the DOCA proposed by the Deed Proponent.

100. The DOCA was executed on 28 April 2025 by the Administrators, the Company and the Deed Proponent and lodged with ASIC on 29 April 2025. A copy of the DOCA is at **tab 17**.

101. Some of the key terms of the DOCA include:

(a) a requirement that all of the shares in the Company currently held by the Shareholders (**Shares**) are to be transferred to the Deed Proponent (or a nominee of the Deed Proponent) pursuant to an order of the Court under section 444GA(1)(b) of the Act granting leave to the Deed Administrators to transfer the Shares to the Deed Proponent or his nominee free of any encumbrance (**Share Transfer**);

(b) the DOCA does not bind the Secured Creditor who continues to hold security over the Company's future R&D tax refunds, as well as a featherweight security over all assets of the Company, to the value of $5,000;

(c) aside from the Secured Creditor, the DOCA excludes the Noteholders and Employees from participating in the DOCA process (that is, they are excluded from receiving a dividend from the Deed Fund);

(d) in the case of the Employees, that is because their employment is to continue and their entitlements are continued to be honoured by the Company;

(e) in the case of the Noteholders, subject to the Court granting leave for the Share Transfer, the Deed Proponent (as the sole shareholder) is to cause new shares in the Company to be issued to the Noteholders who will receive equity in the Company following effectuation of the DOCA;

(f) any amounts paid into the Deed Fund after execution of the DOCA will not be refundable to the Deed Proponent in the event that the DOCA is terminated prior to its effectuation;

(g) control of the Company, its business, operations, and assets (with the exclusion of the Deed Fund to be established under the DOCA) reverts to the Former Directors upon the execution of the DOCA (noting that it was a condition of the DOCA that the Former Directors pass a resolution appointing the New Directors and acknowledging the resignation of the Former Directors) – this was to ensure the Company could once again trade the business as usual and to ensure the orderly payment of employee salaries and other trading costs;

(h) the effectuation of the DOCA is conditional on a number of conditions precedent being satisfied or waived in accordance with the relevant terms of the DOCA, including:

    (i) obtaining leave from the Court for the Share Transfer which is the subject of this application;

    (ii) ASIC granting an exemption or modification from Chapter 6 of the Act pursuant to section s 655A of the Act as is necessary to permit the transfer of the Shares to the Deed Proponent (or his nominee) (the **ASIC Relief**);

    (iii) the Deed Proponent directly paying to iCare an amount equal to 100% of the iCare Claim (as defined in the DOCA) as full and final settlement of that claim and a consequential requirement for the Deed Proponent to procure relevant documentation to satisfy the Administrators that such payment has been paid and that the iCare Claim has been resolved; and

(iv) a number of other corporate governance conditions such as the appointment of new directors, converting the Company from a public company to a proprietary company following the Share Transfer, and the issuance of new shares.

102. The Deed Fund to be available for the distribution of dividends to relevant creditors comprises:

Component	Description
Contribution	The Deed Proponent is required to make payment of $100,000 to the Deed Administrators within 5 business days of the execution of the DOCA. This amount has been paid by the Deed Proponent.
Cash	The cash at bank held by the Deed Administrators in the bank accounts of the Company at the date of the execution of the DOCA.
Trading and Receivables	All trade debtors and any other amounts owing to the Company on any account. Any further amounts recovered by the Deed Administrators on behalf of the Company in respect of debts owing to the Company during the term of the DOCA.

103. Based on recoveries, we expect the Deed Fund to be at least $113,438.63 plus interest. This includes the $100,000 contribution, plus cash in pre-appointment bank accounts at 28 April 2025, including Airwallex $9,077.04, Westpac $3,686.60, ANZ $387.29 and $287.70. At this stage, we have not included any recovery of the Flywheel Debt in the estimated Deed Fund amount (as the debtor has disputed the debt on the ground that all services were not provided).

104. Under the DOCA, the Company's employees continue to be employed by the Company and their entitlements are fully preserved. Further, the Company will be responsible for any claim by any employee for annual leave and leave loading,

personal/carer's leave and long service leave due to or accrued by an employee up to completion of the DOCA. In other words, these are liabilities that are assumed by the Company under the DOCA (and not claimable under the Deed Fund) which would otherwise be debts or claims in the winding up of the Company.

J. Potential recovery action available to liquidators

105. From our preliminary investigations during the course of our appointment as Administrators and Deed Administrators, we have identified the following claims that may be available to a liquidator or liquidators of the Company if the Company were to be placed into liquidation:

(a) a potential insolvent trading claim against the Former Directors pursuant to section 588G of the Act based on the Deed Administrators' preliminary conclusion that the Company was insolvent from as early as 31 December 2024 onwards (subject to any defences that might be available to the directors); and

(b) payments within the relation-back period to the ATO, Til Payment Solutions Pty Ltd, Telstra Ltd and Revenue NSW which may constitute unfair preference payments pursuant to sections 588FA, 588FC, 588FE(2) and 588FF of the Act (although, we note that defences will likely be available to these creditors based on our preliminary investigations).

106. While the Administrators' preliminary investigations have identified potential claims for insolvent trading, further investigations are required. An appointed liquidator would (subject to funding) review the Former Directors' personal asset position in further detail and assess the cost/benefit of pursuing insolvent trading or any other claims that they identify. We note that there may be a number of defences available to the Former Directors and therefore there is an inherent uncertainty as to the recoverability of these amounts. The Company incurred debts of c. $540,000 since 31 December 2024. Having regard to this potential insolvent trading claim, the Administrators have estimated recoveries with a high value of $450,000 (after recovery costs) of the total estimated amount of the insolvent trading claims.

107. With respect to the potential unfair preference claims, it is my experience that it is rare for companies in liquidation and their liquidators to recover the total value of these claims. This is for a number of reasons including: the possibility that the claim

will fail; the settlement of claims involving a compromise; unrecoverable legal costs; and an inability to recover judgment. We estimate unfair preference recoveries with a high value of $8,738 of the total estimated amount of the unfair preference claims.

108. During my investigations, I have not identified any potential uncommercial transactions, unfair loans or unreasonable director related transactions. However, in a liquidation scenario, a liquidator would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to these other potential voidable transactions.

109. Ultimately, any decision to pursue any claims identified by a liquidator(s) and to proceed with commencing litigation would require an assessment by the liquidator(s) of:

(a) the ability to fund the claims (noting that there are unlikely to significant funds available if the Company is wound up);

(b) the costs of litigation and the uncertainty of success inherent in litigation;

(c) the capacity of the proposed defendants to meet the claims if litigation is successful;

(d) the extent of any further investigation required to establish the merits of the potential claims; and

(e) the costs and risks of any proceedings and the ability to fund any proceedings, including whether creditors are prepared to forgo or delay the timing of any scheduled dividends and/or the cost of litigation funding as an alternative.

110. For this reason, in the Estimated Outcome Statement set out below, the amounts estimated to be recovered by the liquidators are somewhat conservative, and we note that whilst the full recovery of the insolvent trading claim could result in a higher amount payable to the unsecured creditors, it is somewhat unlikely that such an amount would be recovered in full (and, even if that was to occur, there are likely to be material legal expenses involved in achieving such an outcome). In all scenarios, there is a shortfall to unsecured creditors and no return to Shareholders.

K. Estimated Return to creditors - implementation of the DOCA compared to liquidation

111. For the purposes of our recommendation to creditors as to the future of the Company as set out in the Second Report, and in considering whether the Share Transfer would (for the purposes of section 444GA(3) of the Act) unfairly prejudice the interests of members of Fleet for the purposes of this Application, we have conducted an analysis of the estimated likely return to stakeholders in a DOCA scenario as compared to a liquidation of the Company.

112. The Deed Administrators have caused to be prepared an Estimated Outcome Statement (**EOS**) based on:

(a) the Company implementing and completing the DOCA; and

(b) the Company entering into liquidation.

113. In a liquidation scenario, the operations of the business of the Company will cease and the liquidator will be tasked with realising the assets of the Company and any return will ultimately depend, in part, on the value achieved by a liquidator from the sale of Fleet's assets (to the extent that is possible, particularly in light of the lack of interest in the initial Sales Campaign undertaken by the Administrators and the independent valuation received by the Administrators) and recovery of the voidable transactions as set out above.

114. The EOS below sets out the estimated low and high return for each class of creditor of Fleet in a DOCA scenario, as well as the estimated low and high return for each class of creditor in a liquidation.[4]

115. Further information regarding the assumptions made to calculate the scenarios are set out in section 11 of the Second Report:

[4] We note that the EOS set out at paragraph 115 differs to the EOS set out in the Second Report as it has been updated for known recoveries and the treatment of the Noteholders under the DOCA (which were not known at the time of the Second Report.

Description ($)	Notes	Balance Sheet 25 Mar'25	Directors ROCAP	DOCA Proposal Low	DOCA Proposal High	Liquidation Low	Liquidation High
1. Circulating assets subject to security interest							
Cash and Cash Equivalent	1	72,942	72,942	30,215	30,215	30,215	30,215
Trade and Other Receivables	2	57,504	57,504	-	-	-	-
Prepaid Expenses	3	95,166	95,166			-	10,000
Less: External administration costs						(30,000)	(30,000)
Less: Employee Entitlement (pursuant to s.561)						(215)	(10,215)
Less: Secured Creditor claim (capped at $5,000)						-	-
Estimated funds available for unsecured creditors		**225,612**	**225,612**	**30,215**	**30,215**	**-**	**-**
2. Non-circulating assets subject to security interest							
Estimated R&D Tax Refund (FY25) - in October 2025	4			650,000	785,000	-	400,000
Less: ATO shortfall (after DOCA distribution, including interest)				(200,000)	(200,000)	-	(247,466)
Less: external administrators costs				(10,000)	(20,000)	-	(20,000)
Less: Secured Creditor payment				(440,000)	(440,000)	-	(132,534)
Less: Employee entitlements (surplus funds not available in DOCA)				-	(125,000)	-	-
Estimated funds available for unsecured creditors				**-**	**-**	**-**	**-**
3. Non-circulating assets							
Office equipment	5	15,275	15,275			15,275	15,275
Patents	6	23,037	-			5,759	23,037
Platform development	7	3,598,440	-			50,000	300,000
EMV Devices, Smartphones, Printers	8	-	-			-	-
Security Deposits and Bond	9	18,104	8,147			8,147	8,147
Less: external administrators costs						(50,000)	(75,000)
Less: employee entitlements						(29,181)	(271,459)
Estimated funds available for unsecured creditors		**3,880,469**	**249,035**	**-**	**-**	**-**	**-**
4. Potential recovery action							
Insolvent Trading Claim	10					-	450,000
Unfair Preference Payments	11					-	8,738
Uncommercial Transactions						-	-
Unfair Loans						-	-
Unreasonable Director-Related Transactions						-	-
Other claims - Fleet Mobility Pty Ltd potential litigation claim	12					-	500,000
Less: Estimated external adminstrators legal fees						-	(80,000)
Less: External administrators fees						-	(50,000)
Less: Estimated employee entitlements						-	(828,738)
Estimated funds available for unsecured creditors				**-**	**-**	**-**	**-**
5. DOCA Contribution							
Deed Funding for VA trading period				497,998	497,998		
Less: Estimated trading expenses, administrator fees and expenses during VA period				(497,998)	(497,998)		
Additional DEED Funding amounts expected				13,438	13,438		
DOCA Contribution Fund				100,000	100,000	-	-
DOCA Proponent direct contribution (for iCare) - estimate only				3,047	3,047		
Less: Proponent direct payment to iCare - estimate only				(3,047)	(3,047)		
Estimated funds available for unsecured creditors				**113,438**	**113,438**	**-**	**-**
6. Total							
Total estimated funds available for unsecured creditors				143,653	143,653	-	-
Estimated Unsecured Creditors				600,000	442,314	6,113,248	5,955,562
Estimated return to creditors (cents in the dollar)				**23.9**	**32.5**	**-**	**-**

116. I have also prepared the following table summarising the varying return to stakeholders in both DOCA and liquidation scenarios.

Stakeholders	Debt $	DOCA Low	DOCA High	Liquidation Low	Liquidation High
		Estimated cents in the dollar return			
		cents in the dollar		cents in the dollar	
Employee Entitlements (Priority)	1,183,736	100.0	100.0	2.5	93.8
Secured Creditor	384,062	100.0	100.0	-	34.5
Noteholders	5,510,201	Equity	Equity	-	-
Unsecured Creditors (iCare)	3,047	100.0	100.0	-	-
Unsecured Creditors (excl. iCare)	442,314	23.9	32.5	-	-
Shareholders	47,190,038	-	-	-	-

117. The analysis set out in the above EOS was prepared based on the information available to the Deed Administrators and depends on various factors (**Variances**) which may further impact the outcomes, including:

(a) the duration and final position of the Deed Administrators' trading of the business;

(b) changes in the quantum of the available sum in the Deed Fund to be paid to creditors (for example, disputed debtor recoveries);

(c) final proving and adjudication of creditor claims including contingent liabilities; and

(d) the recovery, if any, in relation to the Swan Claim and subsequent distribution from Fleet Mobility to the Company (in a liquidation scenario).

118. Based on the above analysis and the currently available information, the Deed Administrators consider that if the DOCA is implemented, performed in full and thereafter effectuated:

(a) there will be a likely return to secured creditors of 100 cents in the dollar in all DOCA scenarios;

(b) there will be a likely return to employees of 100 cents in the dollar in all DOCA scenarios;

(c) there will be a likely return to ordinary unsecured creditors of between 23.9 and 32.5 cents in the dollar in a low and high scenario respectively (subject primarily to the realisation of debtors and the estimate of unsecured creditor claims); and

(d) there will be no return to Shareholders of the Company in any scenario.

119. In each of the various scenarios, no return is envisaged for the Shareholders (essentially because their claims rank below those of the creditors of the Company and there are insufficient funds to meet the claims of creditors in full).

120. The Noteholders will not participate in a distribution from the Deed Fund. This is because the Deed Proponent (as the sole shareholder of the Shares in the event the

relief sought in the Application is granted) is to cause new shares in the Company to be issued to each of the Noteholders.

121. While there are a number of factors that may impact on the timing of any payment, the Deed Administrators anticipate that the DOCA could be effectuated in about 3 to 4 months, once the final contributions from the Company have been made and a final dividend paid to creditors.

122. The analysis set out in the liquidation section of the EOS is subject to the Variances set out above and also the following factors:

(a) the duration and final position of any subsequent trading of the business if the Company was to be wound up, in particular the realisation strategies implemented in a liquidation scenario;

(b) the ultimate value achieved from the sale of the Company's assets such as property, plant and equipment and the Platform Development (which received relatively minimal interest during its sales campaign);

(c) the success of any recovery actions pursued by the liquidators, being with respect to the Swan Claim and the potential claims for insolvent trading and recovery unfair preference payments noted above (although I repeat that it is possible that there will be insufficient funding to pursue these claims, even if the liquidators consider the claims to be meritorious); and

(d) the costs of litigation and pursuit of claims as part of any potential recovery actions that may be brought by the liquidators.

123. In a liquidation scenario, the quantum of unsecured creditor claims will be higher than compared to the DOCA. This is because, under the DOCA, various creditor claims (such as those of employees) are effectively being assumed by the Company to be paid in the ordinary course of business whereas in the event that the Company is placed into liquidation, such claims would be provable in the winding up of the Company.

124. A dividend being paid to unsecured creditors in a liquidation scenario is highly contingent on the realisation of assets and, in particular, the Platform Development. During the Sales Campaign there was no strong interest in that asset or any offer for an amount that would result in funds being available for the payment of creditors.

125. In the Deed Administrators' view, the increase in the estimated creditors' (claims both priority and unsecured) in a liquidation scenario (as compared to a DOCA scenario) is likely to substantially outweigh any potential recoveries achieved by a liquidator, even if those potential recovery actions were wholly successful.

126. In fact, in order for the liquidation to provide the same return to unsecured creditors as the low and high DOCA scenarios, the liquidators would have to recover between a further $1,425,000 and $2,675,000 from asset realisations and voidable and insolvent trading claims. We consider that to be a highly unlikely result, as it proceeds on the basis of a full recovery of any voidable transaction and insolvent trading claims. Even in that scenario, the return would only result in a higher dividend to unsecured creditors rather than them being paid in full, and no return to Shareholders.

127. It is also relevant that a dividend in a liquidation scenario is less certain due to the Variances.

128. Based on the above analysis and the currently available information, the Deed Administrators consider that in the event that the Company is placed into liquidation:

(a) there will be a likely return to the secured creditors of between nil and 34.5 cents in the dollar;

(b) there will be a likely return to employees of between 2.5 and 93.8 cents in the dollar in a low and high scenario respectively;

(c) there will likely be no return to ordinary unsecured creditors; and

(d) there will be no return to Shareholders of the Company in any scenario.

L. Deed Administrators' opinion and relief sought

129. Based on the matters set out in paragraphs 111 to 128 above, the Deed Administrators believe that the interests of the Shareholders will not be unfairly prejudiced by the Share Transfer if leave is granted under section 444GA of the Act to effect the transfer in accordance with the terms of the DOCA. In contrast, completion of the DOCA will be in the interests of other stakeholders including creditors and employees of the Company and, in that regard, the grant of leave to effect the Share Transfer is a precondition to completion of the DOCA.

130. A restructure pursuant to the DOCA Proposal will allow the completion of the sale of the business as a going concern (via transfer of shares), whilst providing minimal disruption to the trading and operations of the business. In addition, the employment of the Company's 17 employees is retained. These benefits will not be achieved in a liquidation scenario.

131. As explained in paragraph 128 above, the Deed Administrators estimate that in a liquidation there will be a return of between 2.5 and 93.8 cents in the dollar to priority creditors and no return to ordinary unsecured creditors.

132. On the other hand, the Deed Administrators estimate that under the DOCA, there will be a return of 100 cents in the dollar to priority creditors and a return to unsecured creditors in the range outlined above.

133. As set out above, there is no anticipated return to Shareholders in either a DOCA or liquidation scenario.

134. Accordingly, the Deed Administrators are of the view that the transfer of the Shares to the Deed Proponent (or its nominee) in accordance with the DOCA will not cause any prejudice to the Shareholders as neither the DOCA nor liquidation would result in any return to Shareholders. In addition, the DOCA:

(a) will enable the Deed Administrators to achieve a better and more timely return to the creditors of the Company than would exist in a liquidation of the Company;

(b) will maximise the chances of the business of the Company continuing in existence in furtherance of the objects of Part 5.3A of the Act;

(c) provides an opportunity for Noteholders to obtain shares subject to the Court's approval of this application and receiving some benefit in the future from their claim (as opposed to the prospect of receiving no return in a liquidation scenario); and

(d) will allow the ongoing employment of each of the Company's employees and preservation of employee entitlements, avoiding the triggering of redundancy payments.

135. If leave is not granted pursuant to section 444GA and the Shareholders refuse the Share Transfer, the conditions precedent to the DOCA will not be satisfied and the DOCA will not be completed (with the consequence that the Company will be wound up as the Company is insolvent and there is presently no other proposal for a deed of company arrangement and I have no reason to believe that such proposal will be forthcoming).

136. If the DOCA is not effectuated, the Company will likely be wound up and in those circumstances:

(a) the return to Shareholders will remain nil; and

(b) whilst the existing Shareholders will retain their 100% shareholding in the Company, those shares will have no value.

137. Based on the matters set out above, the Deed Administrators believe that the interests of the Shareholders will not be unfairly prejudiced by the Share Transfer if leave is granted under section 444GA of the Act to effect the transfer in accordance with the terms of the DOCA.

138. That is because the estimated return to Shareholders in all scenarios is nil. In other words, the equity in the Company is presently worthless and of no value whatsoever and will not be of value in the absence of completion of the DOCA.

139. However, if the Court does not grant leave for the Share Transfer, then the DOCA will not complete and be effectuated. In that scenario:

(a) the Deed Administrators are obliged to call a meeting of creditors of the Company to determine its future; and

(b) the Deed Administrators therefore consider it very likely if not inevitable that, at that meeting, the creditors will resolve to place the Company into liquidation.

140. That course of events will have a detrimental impact on creditors of the Company (because they will receive a lower or no return) but, at the same time, will not lead to any advantage being conferred on the Shareholders because, while they will retain their shares in the Company, those shares will not have any value and Shareholders will receive no return from their shares.

141. Accordingly, the Shareholders would be in the same financial position regardless of the different scenario that comes to pass being either that:

(a) the Share Transfer is effected in accordance with the terms of the DOCA and the DOCA is effectuated; or

(b) if the Share Transfer is not effected, the DOCA is not completed and as a result the Company is likely to be placed into liquidation.

142. In both scenarios, the same result is faced by Shareholders – namely, no return from their shareholding in the Company.

143. However, as noted above, the return to creditors will likely be different depending on which scenario comes to pass (as the creditors will receive a greater payment under the DOCA if the Share Transfer occurs compared with a smaller dividend (or no dividend) to be received in a winding up). In addition, employees will no longer have continuity of employment in a liquidation scenario.

M. ASIC Relief

144. Fleet, being an unlisted company with more than 50 members, is also subject to the takeovers prohibitions in section 606 of the Act. In this regard, the Deed Administrators are proceeding on the basis that section 444GA of the Act does not operate to the exclusion of the takeover provisions set out in Chapter 6 of the Act.

145. The Deed Administrators are also proceeding on the basis that:

(a) it would be unlawful for the Deed Proponent to acquire more than 20 percent of the issued share capital of Fleet without complying with Chapter 6 of the Act, unless one of the exceptions in section 611 of the Act applies;

(b) none of the exceptions in section 611 of the Act apply; and

(c) ASIC relief from the takeover provisions in Chapter 6 of the Act is therefore required to facilitate the Share Transfer to the Deed Proponent as contemplated by the DOCA.

146. As set out in paragraph 101(h), it is a condition precedent of the DOCA that the Deed Administrators make an application to ASIC seeking relief from section 606 of

the Act (**ASIC Relief**) in order for the Share Transfer to proceed in accordance with the terms of the DOCA and for ASIC to grant the ASIC Relief.

147. The Deed Administrators have made an application to ASIC for the ASIC Relief. At **tab 18** is a copy of the application for ASIC Relief (excluding enclosures) (**ASIC Application**).

148. In support of the ASIC Application, the Deed Administrators have engaged John Melluish to provide an independent expert report (**IER**) valuing the Companies on a going concern basis and liquidation basis prepared in accordance with ASIC Regulatory Guide 111 (*Content of expert reports)* and 112 (*Independence of experts)*.

N. Service on members of the Company

149. The Deed Administrators have caused to be prepared an Explanatory Statement, a draft of which is at **tab 19** in order to explain the nature of the application and the proposed Share Transfer to various stakeholders including the Shareholders, the creditors of the Company and ASIC.

150. The Explanatory Statement provides information about:

(a) the background to this application, including the effect of key steps under the DOCA and the need for Court approval of the Share Transfer;

(b) the effect of this application on the Shareholders;

(c) steps to be taken if any creditor or Shareholder intends to oppose this application;

(d) a recommendation to seek independent legal, financial and taxation advice before making a decision on whether to take any action in relation to this application; and

(e) further information available to assist Shareholders in deciding whether to appear at the Court hearing of the application.

151. We intend to provide a copy of the Explanatory Statement substantially in the form of the draft (but updated to refer to the date of the hearing of the application) to

persons entitled to oppose this application under section 444GA(2) of the Corporations Act, including:

(a) the Shareholders;

(b) the creditors of the Company;

(c) ASIC; and

(d) any other interested person.

152. We propose to give notice of this application and to provide a copy of the Explanatory Statement to creditors of the Company and the Shareholders in the manner set out in the procedural orders sought in the Application.

153. At **tab 20** is a copy of the proposed notice (**Proposed Notice**) that I intend to provide to persons who may be interested persons and may appear and be heard on the Application under section 444GA(2) of the Act, including:

(a) the Shareholders;

(b) the creditors of the Company;

(c) ASIC; and

(d) any other interested parties.

154. In addition, interested parties may specifically request copies of the IER provided to ASIC which can be emailed to those parties upon request. The Proposed Notice provides information as to how these persons may be entitled to access the IER.

155. I intend to swear a supplementary affidavit (**Supplementary Affidavit**) deposing to the circulation of the Originating Process, this affidavit, the Explanatory Statement and any communications received from interested parties in relation to the application. I intend to use the Supplementary Affidavit to summarise the views and attitudes of those parties in relation to the application (if any).

~~#SWORN~~ #AFFIRMED at Sydney

Signature of deponent

Name of witness Andrew Ng

Address of witness Level 27, 123 Pitt St, Sydney NSW 2000

Capacity of witness [~~#Justice of the peace~~ #Solicitor ~~#Barrister #Commissioner for affidavits #Notary public~~]

And as a witness, I certify the following matters concerning the person who made this affidavit (the **deponent**):

1 ~~#I~~ saw the face of the deponent. [~~OR, delete whichever option is inapplicable~~]

~~#I did not see the face of the deponent because the deponent was wearing a face covering, but I am satisfied that the deponent had a special justification for not removing the covering.5~~

2 #I have known the deponent for at least 12 months. [~~OR, delete whichever option is inapplicable~~]

~~#I have confirmed the deponent's identity using the following identification document:~~

Identification document relied on (may be original or certified copy)[6]

Signature of witness

Note: The deponent and witness must sign each page of the affidavit. See UCPR 35.7B.

[[5] The only "special justification" for not removing a face covering is a legitimate medical reason (at April 2012).]

[[6] "Identification documents" include current driver licence, proof of age card, Medicare card, credit card, Centrelink pension card, Veterans Affairs entitlement card, student identity card, citizenship certificate, birth certificate, passport or see Oaths Regulation 2011 or refer to the guidelines in the NSW Department of Attorney General and Justice's "Justices of the Peace Handbook" section 2.3 "Witnessing an affidavit" at the following address: http://www.jp.nsw.gov.au/Documents/jp%20handbook%202014.pdf]