

Confidential Term Sheet

THIS DOCUMENT IS A SUMMARY OF THE OFFER, THE INVESTMENT SUMMARY, UNDERLYING OFFER DOCUMENTS AND COMPANY PRESENTATION

STRICTLY PRIVATE AND CONFIDENTIAL

(All numbers are in AUD unless otherwise specified)

OVERVIEW	
Type of Transaction	Sophisticated Investor Capital Raising giving exposure to Non-participating Series A Convertible Preference Shares (" Preference Shares ") via an unregistered Managed Investment Scheme (MIS) (the Offer).
Issuer	Wholesale Holdings Pty Ltd ATF Wholesale Holdings Nicolab Trust ("Trust").
Country / Currency of Issuer	Australia / AUD.
Unit Price	AU\$1
Minimum Investment	AU\$100,000
Company	Nico.Lab International Ltd, ACN 628 523 311 ("Nicolab" or "the Company")
Market Capitalisation	\$126,422,044 (pre-money), based on a share price of \$1 per share. This excludes the Company's recently completed tranche 1 for \$7,350,000, of a total \$15,000,000 raise.
Underlying Asset	Non-participating Series A Convertible Preference Shares (" Preference Shares ") in Nico.Lab International Ltd trading as Nicolab. To be purchased by the Trust at \$1 per share.
Trust Raise Amount	Up to \$6,500,000 – with the ability to take over subscriptions at the Company's and Trust's absolute discretion.
Offer Document	Wholesale Holdings Nicolab Trust Investment Summary & Application Form.
Firm Bids Due	5pm, Friday 19th April 2024 *
Offer Close Date	5pm, Monday 22nd April 2024 *
<i>*Both the Issuer and the Company reserves the right to alter the timetable at their discretion, including closing the offer early.</i>	
UNDERLYING ASSET TERMS - PREFERENCE SHARES	
<i>Below is a summary of the key preference share terms that unit holders in the Trust will have exposure to. This is for information only. Annexure A of the Investment Summary and Application Form for the Trust should be read in full prior to completing an application.</i>	
Dividend	Each Preference Share is entitled to receive a cumulative dividend at an annual rate equal to 15% of the Issue Price (\$1), which accrues on a daily basis from the date of issue of such share.
Ranking	Preference Shares will: <ul style="list-style-type: none"> a) rank equally among themselves; and b) rank senior to all other Shares.
Liquidity Events	The Preference Shares entitle their holder to a preferential return on the occurrence of the following events (Liquidity Events): <ul style="list-style-type: none"> a) the liquidation, dissolution or winding up of the Company; b) a sale of all or substantially all of the shares in the Company for cash or liquid securities (Company Sale); c) a sale, lease, liquidation or other disposition of all or substantially all of the Company's assets; d) the closing of the issue or sale of ordinary shares in the Company to the public in a firm commitment public offering and the quoting of the ordinary shares of the Company, and the listing of the Company, on an internationally recognised stock exchange (IPO).

<p>Liquidation Preference</p>	<p>If, any Liquidation Event occurs, the Preference Share holder may either issue a Conversion Notice or a notice in writing that they elect to take a liquidation preference upon which any proceeds arising from such event must be applied and paid to members in the following order of priority (Liquidation Preference):</p> <ul style="list-style-type: none"> a) firstly, in paying to each holder of a Preference Share an amount equal to the greater of: <ul style="list-style-type: none"> i. the Issue Price plus all outstanding unpaid dividends (Preference Amount); or ii. the value of an Ordinary Share within/immediately upon the occurrence of a Liquidity Event; b) secondly, the balance shall be divided between the holders of Ordinary Shares so that each holder of Ordinary Shares receives the proportion that the aggregate number of Ordinary Shares held by that holder bears to the aggregate number of Ordinary Shares on issue immediately prior to the Liquidation Event. <p>If the Preference Share holder exercises their Liquidation Preference, they are not entitled to participate in the distribution of any remaining proceeds from the Liquidity Event and the relevant security is cancelled or forfeited.</p>
<p>Conversion</p>	<p>If a Preference Share holder exercises a notice in writing that they elect to convert all of its Preference Shares into Ordinary Shares (Conversion Notice), the resulting number of Ordinary Shares (Converted Shares) shall be calculated as follows:</p> $\text{Converted Shares} = \text{Preference Amount} / \text{Conversion Price}$ <p>Whereas in all circumstances the Conversion Price shall be the lower of:</p> <ul style="list-style-type: none"> i. the Issue Price; or ii. if upon the occurrence of a Liquidity Event, an Ordinary Share within/immediately post that event is valued at less than the Preference Amount, the lowest price that an Ordinary Share has been issued since (and including) the Issue Date. <p>If a Preference Share holder has not made an election to issue a Conversion Notice or exercise their Liquidation Preference as specified in the Constitution, then immediately prior to the closing of a Company Sale or IPO, all Preference Share holders are deemed to have issued a Conversion Notice.</p>

OFFER DETAILS

The Trust will use the funds raised to complete the purchase of the Underlying Asset on the terms disclosed above and in the Investment Summary & Application Form.

Use of Proceeds

The Company intends to use the proceeds for the following;

1. Salary & Wages
2. Sales & Marketing
3. Additional FDA Clearances
4. Working Capital.

Restrictions

Investors must be either:
“(i) “sophisticated investor” as defined in section 708(8) of the Corporations Act 2001 (Cth) or
“(iii) “professional investor” as defined in section 708(11) of the Corporations Act 2001 (Cth).

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 units in the Trust. This Term Sheet is summary only information and you should read the full Offer Document prior to making an investment.

Investors should read this Term Sheet in full, including the Risk information, prior to making their assessment of the Offer.

Underwriting

The Capital Raise is not underwritten.

INVESTMENT HIGHLIGHTS

- Your investment will be in a Wholesale Holdings Nicolab Trust (**Trust**) established for the sole purpose of acquiring the Underlying Asset, arranged by Reach.
- The Trust will purchase Non-participating Series A Convertible Preference Shares at a share price of \$1 per share (**Underlying Asset**).
- The Company is raising up to \$6,500,000, which equates to 6,500,000 Preference Shares.
- Exposure to the Underlying Asset via a Trust for eligible S708 investors only.
- The Preference Shares will;
 - receive a cumulative dividend at an annual rate equal to 15% of the Issue Price (\$1), which accrues on a daily basis from the date of issue of such share.
 - rank equally amongst themselves and senior to all other Shares.
 - receive a Liquidation Preference (as detailed above) in any Liquidity Event (as detailed above)
 - have the right to convert on the terms detailed above.
 - have the right to convert into Ordinary Shares (Conversion Notice), the resulting number of Ordinary Shares (Converted Shares) shall be calculated as follows:

$$\text{Converted Shares} = \text{Preference Amount} / \text{Conversion Price}$$

Whereas in all circumstances the Conversion Price shall be the lower of:

- i. the Issue Price; or
 - ii. if upon the occurrence of a Liquidity Event, an Ordinary Share within/immediately post that event is valued at less than the Preference Amount, the lowest price that an Ordinary Share has been issued since (and including) the Issue Date.
- be deemed to have issued a Conversion Notice immediately prior to the closing of a Company Sale or IPO if no election to issue a Conversion Notice or exercise their Liquidation Preference as specified in the Constitution.

COMPANY OVERVIEW

Problem: The global challenge of delays in stroke emergencies

- When having stroke symptoms, getting treated by a specialist is time-critical.
- One minute of delay in treatment costs 22 days of healthy life on average.
- 60% of stroke patients arrive at emergency departments out of hours when no specialist is present
- As a result, 40% of stroke patients arrive too late for life-saving treatment.
- 1 in 5 people suffer a stroke at one point in their life, making this challenge globally significant.
- The estimated annual health system cost of stroke is \$363bn in the EU and US combined.
- Both stroke incidence and associated costs are expected to double due to an ageing population and increasingly unhealthy lifestyles, with estimated costs of \$279 billion in the US in 2030 and \$3.2 trillion in 2050.

Solution: Nicolab's AI-enabled StrokeViewer software

- AI-enabled software solution that accelerates diagnosis without requiring a specialist onsite.
- Specialists can make decisions remotely via an app and communicate with stakeholders.
- The only FDA-cleared mobile viewer fully certified for diagnostic use.
- Offers the highest sensitivity/specificity data for its use in the market.
- Easy, flexible, client-centric implementation and maintenance.

Proven benefits of Nicolab's StrokeViewer tool

- 9.4x boost in the chance of a successful emergency clot retrieval.
- 34% reduction in unnecessary re-scans.
- 50% reduction in misdiagnosis at initial treatment.
- 1.8x boost to a patient's chance of living an independent life after stroke, not requiring care.
- Customers are extremely satisfied, as evidenced by a 95% retention rate.

Traction and next milestones for Nicolab

- Company has successfully signed contracts in the UK, Germany, Spain, The Netherlands, Romania, Belgium, US and Australia.
- The company is already commercialised and installed at 200 hospitals around the world.
- Partnership with \$28bn Dutch medtech giant Philips includes equity investment, product co-development and co-marketing.
- The company has signed with Thailand and Taiwan companies as distribution partners after receiving relevant local FDA approvals in September 2023.
- The company also signed an MOU in June 2023 with Titan to formalise a partnership aimed at improving patient outcomes in Australian Acute Healthcare.
 - The National Telestroke Service Funding model will include upfront support for Nicolab of approximately \$6m, with ongoing licensing to Nicolab through the Joint Venture of approximately \$4.5m per year. The outcome of the budget bid is expected in May 2024 with the release of the Federal Budget. In the event of a successful funding allocation, the project will commence from July 2024.
- The current opportunity in the US alone is \$140M ARR with 2,446 stroke hospitals @ \$57,300 average price per hospital of StrokeViewer for a one year licence fee
- Healthcare veteran Michael Macilquham (CEO) tasked with making 2024 the year of capitalising on past years' investments
- Nicolab forecasts an annualised revenue run rate of \$9.7m for the end of 2024, rising to over \$60m in 2027, with blue sky scenario under Philips partnership taking this beyond \$100m.
- Backed by leading institutional growth capital investors including Fifth Estate, Ellerston Capital, Regal, Perennial Partners and Washington H. Soul Pattinson.
- Range of exit options including IPO or a trade sale to one of the medtech giants.

FINANCIALS

	\$'000 AUD	\$'000 AUD	\$'000 AUD	\$'000 AUD	\$'000 AUD	\$'000 AUD
	2022	2023	2024	2025	2026	2027
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
TOTAL ARR	916	1,548	9,760	23,798	40,801	62,640
Total Revenues	483	1,071	5,021	15,182	30,629	48,837
Cloud costs	193	214	753	1,974	3,676	5,372
Gross margin %	60%	80%	85%	87%	88%	89%
Other expenses	3,238	5,168	7,545	12,369	18,087	21,561
EBITDA	(2,948)	(4,311)	(3,278)	839	8,867	21,904
R&D costs	4,828	4,197	5,387	5,648	6,645	8,323
Regulatory	695	547	927	915	819	487
Operating free cash flow	(8,471)	(9,054)	(9,591)	(5,725)	1,403	13,095

KEY PERSONNEL

Name	Position	Biography
Paul J. Lappin	Chairman	Chair Paul Lappin is an experienced Company Director, Chairman and Chartered Accountant (PwC Aust & Nth America), leading companies in a diverse range of sectors. Paul is a Director of the Australian Grand Prix Corp and PGA Australia, former Chairman of ASX-listed Polynovo (PNV) and former Director of the Melbourne Fashion Festival.
Merel Boers	Co-founder	Merel is a Dutch health tech entrepreneur with a medical technology background. After studying technical medicine at the University of Twente, Merel obtained a PhD in image analysis in stroke cum laude. Merel was part of the world-renowned MR CLEAN trial and has won the EU Prize for Women Innovators. Merel has a clear vision for the company and the role of AI in the emergency workflow.
Michael Macilquham	CEO	Michael is an accomplished business leader with over 20 years of experience in sales, marketing, and operations. Michael has held various leadership positions at Siemens Healthineers, where he drove revenue growth, developed strategic partnerships, and launched innovative products and solutions. Michael holds a Bachelor of Applied Science in Diagnostic Radiography and a Masters of Health Science majoring in Magnetic Resonance Imaging, both from the University of Sydney.
Charlie Bell	CFO	Charlie has over 10 years' experience in professional services, working with pre IPO, ASX-listed and large private companies across multiple statutory jurisdictions. Charlie specialises in financial reporting, governance, and stakeholder relations and management. Charlie is a Member of the Institute of Chartered Accountants Australia and New Zealand, and holds a Bachelor of Commerce, majoring in Accountancy and Business Law
Renan Sales Barros	CTO / Co-founder	Renan is a Brazilian computer scientist who moved to the Netherlands in 2013 to complete his PhD in biomedical engineering. Renan studied computer science for his BSc and MSc, before moving to the Amsterdam Medical Center to investigate high performance computing in stroke Honoured with the Best Computer Scientist Graduate Award, he introduced deep learning models to the research group.

RISK INFORMATION

Investors should be aware that an investment in the Trust gives exposure to the Company and is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully consider the risks of this investment as part of their due diligence prior to making an investment decision.

An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates. However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to below and others not specifically referred to, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems, and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Preference Shares issued under the Offer may be more or less than the Issue Price. The New Preference Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade in the future – privately or on any exchange.

The past performance of the Company should not necessarily be considered a guide to their future performance.

Economic factors - Changes in economic and business conditions or government policies in Australia, or other operational jurisdictions may impact the fundamentals upon which the Company's target markets, cost structure and profitability rely. Adverse changes in such things as inflation, interest rates, government policy or regulations, consumer spending, employment rate, amongst other things, are outside the control of the Company and may result in material adverse impacts on the Company or its operating results

Management actions - The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

Unforeseen expenses - While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Additional capital requirements - The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

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

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made by completing the Application Form attached to the Investment Summary. This document is for information purposes only and is not to be taken as a recommendation or advice to apply for the Offer.

If you complete an Application Form, you are providing personal information to the Issuer. The Issuer collects, holds and will use that information to assess your application, service your needs and to facilitate payments and corporate communications to you. The information may also be used periodically and disclosed to persons inspecting the company register, including but not limited to regulatory bodies, the Australian Taxation Office and print services providers. Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 and the Act. You should note that if you do not provide the information required on the Application Form, the Issuer and the Company may not be able to accept or process your application. Reach has their own privacy policy which can be viewed here - <https://reachmarkets.com.au/privacy-reach>.

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Master ECM Terms dated February 2022 available from Reach or from https://afma.com.au/Site/media/Media/Documents/Standards/Standard-Documentation/AUST_Master_ECM_Terms-February_2022.pdf, will apply to this Offer.

International Offer Restrictions

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