

**THREAT PROTECT AUSTRALIA LIMITED**  
**ACN 060 774 227**

**(TO BE RENAMED “INTELLIGENT MONITORING GROUP LIMITED” FOLLOWING SHAREHOLDER APPROVAL)**

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**ENTITLEMENT OFFER PROSPECTUS**

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For an accelerated renounceable entitlement issue (with retail rights trading) of twenty-three (23) Shares for every one (1) Share held by those Eligible Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$31,866,468 (based on the number of Shares on issue as at the date of this Prospectus and assuming only the Placement Shares are issued prior to the Record Date) (the **Entitlement Offer**).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (ACN 010 539 607) (AFSL 235410) (**Underwriter**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Peter Kennan  
*Non-Executive Chairman*

Dennison Hambling  
*Deputy Chairman & Executive Director*

Dimitri Bacopanos  
*Non-Executive Director*

### Chief Executive Officer

John Hallam

### Company Secretary

Peter Webse

### Share Registry\*

Link Market Services Limited  
Level 12 QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 554 474

### Auditor

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

### Registered Office

Level 1  
672 Murray Street  
WEST PERTH WA 6005

Telephone: 1300 847 328

Facsimile: +61 8 9322 9711

Email: [info@threatprotect.com.au](mailto:info@threatprotect.com.au)

Website:

<https://www.threatprotect.com.au/>

### Lead Manager and Underwriter

Morgans Corporate Limited  
Level 29 Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

### Legal advisers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Financial Adviser

Azure Capital Pty Ltd  
Level 46  
108 St Georges Terrace  
PERTH WA 6000

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## **2. IMPORTANT NOTES**

This Prospectus is dated 24 September 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form (which can be accessed at <https://www.threatprotect.com.au/>) or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **2.1 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Sections 4.4 and 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

### **2.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.4 and Section 7 of this Prospectus.

### **2.3 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9322 1587 or Offer Information Line on 1300 494 861 within Australia and +61 1300 494 861 from outside Australia and either a hard copy or a further electronic copy of the Prospectus, or both will be sent to you for free. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://www.threatprotect.com.au/>

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **2.4 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **2.5 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The

Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

## **2.6 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 9.2 for further details.

## **2.7 No Investment Advice**

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

## **2.8 Overseas shareholders**

The offer under this Prospectus does not and is not intended to constitute an offer in any place or jurisdiction in which or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. In particular this document may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia, New Zealand, Canada, Germany, Hong Kong, Isle of Man, Philippines, The United Republic of Tanzania, United Arab Emirates, United Kingdom and Zambia.

For the avoidance of doubt all Shareholders registered at the Record Date are eligible to participate in the Entitlement Offer. For further details please refer to Section 5.20.

## **2.9 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **2.10 Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 11.

All references to time in this Prospectus are references to Australian Western Standard Time unless otherwise stated.

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### 3. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the directors of Threat Protect Australia Limited (**Company**), I am delighted to provide all Eligible Shareholders with the opportunity to participate in the Entitlement Offer.

After an intensive 18-month integration and rationalisation program, the Company has improved its Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) from -\$5.8m in FY19 to \$4m in FY21<sup>1</sup> and is now operationally stable and looking towards a promising future. However, to move forward, it is necessary for the Company to reduce and refinance its debt, whilst also providing working capital to unlock further growth opportunities inherent in its business model.

Hence, the Company is seeking to raise approximately \$31,866,468 (before costs) by way of an accelerated renounceable entitlement issue of twenty three (23) Shares for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share.

In addition, the Company has received binding commitments from professional, sophisticated, and institutional investors to subscribe for 36,143,441 Shares at an issue price of \$0.005 per Share to raise \$180,717 (before costs) (**Placement**).

Funds raised under the Entitlement Offer (together with the Placement) will be applied towards repayments to be made by the Company to Ares, Black Crane and unsecured noteholders, together with transaction costs and working capital. Black Crane has agreed to subscribe for its full entitlement of \$3.6m sub-underwrite up to \$15.4m of the equity raising, part of which will be satisfied by offsetting a repayment of up to A\$7.1m being the outstanding amount owed by the Company to Black Crane under existing loan notes.

Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

On behalf of the Board, I encourage all Eligible Shareholders to consider taking up their Entitlements.

Yours sincerely,

**Peter Kennan**  
**Non-Executive Chairman**

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<sup>1</sup> Refer to the Company's annual report released on the Company's platform on 24 October 2019 and the investor presentation released on the Company's platform on 7 September 2021.

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## 4. KEY OFFER INFORMATION

### 4.1 Timetable

Event	Date
Entity enters trading halt	Prior to market open on Wednesday 22 September 2021
Company conducts Placement	Wednesday 22 September 2021 and Thursday 23 September 2021
Announcement of Placement and Entitlement Offer Lodge Appendix 3Bs with ASX Lodge Prospectus with ASIC and ASX	Prior to 10am (WST) on Friday 24 September 2021
Company conducts Institutional Offer (including bookbuild for Institutional Offer Shortfall)	Friday 24 September 2021 and Monday 27 September
Settlement and issue of Placement Shares Lodgment of Appendix 2A for the Placement Shares	Monday 27 September
Announcement of results of Institutional Offer Quotation of Placement Shares Trading resumes on an ex-rights basis Retail Rights start trading on deferred settlement basis	Prior to market open on Tuesday 28 September 2021
Record Date for the Entitlement Offer	5:00pm (WST) on Tuesday 28 September 2021
Settlement of Institutional Offer Shares (including Institutional Offer Shortfall) Lodgment of Appendix 2A for the Institutional Offer (by 12:00 PM AEST / 10:00 AM WST)	Thursday 30 September 2021
Issue of Institutional Offer Shares (including Institutional Offer Shortfall) Quotation of Institutional Offer Shares	Friday 1 October 2021
Prospectus dispatched to Retail Shareholders Company announces dispatch has completed Opening Date for Retail Offer	Monday 4 October 2021
Retail Rights trading ends	Close of trading on Monday 11 October 2021
Securities quoted on a deferred settlement basis	Tuesday 12 October 2021
Last day to extend Retail Offer closing date*	Wednesday 13 October 2021
Closing Date of Retail Offer**	Monday 18 October 2021
Bookbuild for any Retail Offer Shortfall (if applicable)	Thursday 21 October 2021 to Monday 25 October 2021

Event	Date
Announcement of results of Retail Offer Shortfall bookbuild	Tuesday 26 October 2021
Settlement of Retail Offer Issue of Retail Offer Shares Lodgment of Appendix 2A with ASX	Thursday 28 October 2021
Quotation of Retail Offer Shares	Friday 29 October 2021
Settlement of Retail Offer Shortfall Issue Retail Offer Shortfall Shares	On or before Monday 8 November 2021
Quotation of Retail Offer Shortfall Shares	Tuesday 9 November 2021

\*The Directors may extend the Retail Offer Closing Date by giving at least 3 Business Days notice to ASX prior to the Retail Offer Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

## 4.2 Summary of Placement and Entitlement Offer

As announced on 24 September 2021, the Company is undertaking a placement and an accelerated renounceable entitlement issue in order to raise a total of approximately \$32,047,185 (before costs).

### Placement

The Company has successfully raised approximately \$180,717 (before costs) by way of a placement of 36,143,441 Shares (**Placement Shares**) at an issue price of \$0.005 per Share (**Placement**).

The Placement Shares will be issued on Monday 27 September 2021 pursuant to the Company's available placement capacity under ASX Listing Rule 7.1. The Placement Shares will be issued prior to the Record Date for the Entitlement Offer and accordingly the Shareholders of the Placement Shares will also be eligible to participate in the Entitlement Offer.

### Entitlement Offer

The Entitlement Offer is being made as an accelerated renounceable entitlement issue of twenty-three (23) Shares for every one (1) Share held in the Company by Shareholders at the Record Date at an issue price of \$0.005 per Share to raise up to \$31,866,468.

The Entitlement Offer has two components consisting of:

- (a) an accelerated offer to Eligible Institutional Shareholders (**Institutional Offer**) of approximately 3,552,744,289 Shares at an issue price of \$0.005 per Share to raise up to \$17,763,721 (before costs), which is expected to settle on 30 September 2021; and
- (b) an offer to Eligible Retail Shareholders (**Retail Offer**) of approximately 2,820,549,248 Shares at an issue price of \$0.005 per Share to raise up to approximately \$14,102,746 (before costs) which is expected to settle on 28 October 2021.

All Shareholders registered at the Record Date will be eligible to participate in the Entitlement Offer.

Further details on the Entitlement Offer are set out in Section 5.

### 4.3 Key statistics of the Offer

	Full Subscription
Offer Price per Share	\$0.005
Entitlement Ratio	23 for 1
Shares currently on issue	240,956,278
Shares to be issued under the Placement <sup>1</sup>	36,143,441
Shares on issue at Record Date	277,099,719
Shares to be issued under the Entitlement Offer <sup>2</sup>	6,373,293,537
Gross proceeds of the Entitlement Offer <sup>2</sup>	\$31,866,468
<b>Shares on issue Post-Entitlement Offer</b>	<b>6,650,393,256</b>

**Notes:**

1. The Placement raising a further \$180,717 (before costs).
2. Comprising 3,552,744,289 Shares to be issued under the Institutional Offer and 2,820,549,248 Shares to be issued under the Retail Offer.

### 4.4 Risk factors

Prospective investors should be aware that subscribing for Shares involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 7.

The predominant risks relating to the Company and the Entitlement Offer are summarised below:

Risk	Description
<b>Potential for significant dilution</b>	Upon implementation of the Entitlement Offer and the Placement, assuming successful completion of the Entitlement Offer and assuming no other Shares are issued prior to the Record Date, the number of Shares in the Company will increase from 240,956,278 currently on issue to 6,650,393,256. This means that immediately after the Entitlement Offer each Share will represent a significantly lower proportion of the ownership of the Company.

Risk	Description
	<p>Specifically, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 95.83% (as compared to their holdings and number of Shares on issue as at the Record Date). Examples of how the dilution may impact Shareholders is set out in the table at Section 4.11.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the Entitlement Offer being implemented, and the Placement being completed, and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.020 per Share is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer and completion of the Placement.</p>
<b>Control risk</b>	<p>Black Crane currently has a relevant interest in approximately 12.97% of the Shares in the Company. Assuming all Placement Shares are issued, Black Crane takes up its full Entitlement and Black Crane is allocated its maximum sub-underwriting commitment under the Retail Entitlement Offer, Black Crane's relevant interest in the Company may increase to as high as 57.61%.</p> <p>Black Crane's significant interest in the capital of the Company means that it may be in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>Black Crane may hold a relevant interest in more than 25% of the Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p>

Risk	Description
<p><b>Default risk under debt arrangements</b></p>	<p>The Company has and may continue to enter into debt facilities and agreements such as the debt arrangements with Ares, First Samuel and Black Crane, under which it has and will have obligations to make payments to debt holders on relevant due dates and repay amounts advanced to the Company on the relevant due dates. Following the Entitlement Offer the Company will have extinguished the debt owed to unsecured noteholders and expects to have extinguished or significantly reduced the amount owing to Black Crane. Under the terms of the Black Crane Debt Termination Agreement any remaining debt owing to Black Crane at the end of the Entitlement Offer will have the maturity date extended to 31 December 2023.</p> <p>Following the Entitlement Offer it is expected that the principal due under the Ares debt will be reduced by a minimum of \$7.7 million. However, substantial debt, of approximately \$27.18 million in principal, will remain. Two further payments of \$750,000 each will be due on 31 March 2022 and 30 September 2022. The term for full repayment will also be extended to 30 September 2023.</p> <p>The Company expects to be able to make the interim payments using the proceeds from future debt or equity raisings, cash flows from operations or proceeds from the sale of assets.</p> <p>However, as set out in the Going Concern Risk there is a risk that the Company may be unable to procure or raise sufficient cash resources from its operations, future debt or equity raisings to make the final payments under the Company's debt arrangements.</p> <p>Under the agreement with Ares, the Company also must comply with financial covenants and other undertakings. For further details refer to the Company's announcement dated 24 September 2021. Should the Company default on its obligations under any of its debt arrangements (including any breach of covenants or undertakings) an event of default will occur.</p> <p>In these circumstances, if the Company is unable to raise sufficient funds or otherwise cure the default, the full debt may become immediately repayable and the debt holders may enforce the security granted and sell some or all of the Company's assets.</p>

Risk	Description
<p><b>Going concern risk</b></p>	<p>The Company's FY2021 annual report released on the ASX platform on 31 August 2021 (<b>Financial Report</b>) includes a note on the financial condition of the Company and material uncertainty about this may cast significant doubt about the Company group's (<b>Group's</b>) ability to continue as a going concern.</p> <p>The financial statements were still prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.</p> <p>The ability of the Group to continue as a going concern is dependent on obtaining additional funding, re-negotiating financing arrangements and repayment plans, maintaining ongoing support of financiers and thereafter revenue growth and positive cash flows from operations during the financial year.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, as at the date of the Financial Report the Directors believed there were sufficient funds to meet the Group's working capital requirements.</p> <p>For further details, Shareholders should refer to page 26 of the Financial Report.</p> <p>The Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Group's current commitments and working capital requirements.</p> <p>The Directors believed that the Group would be able to continue as a going concern and therefore it was appropriate to adopt the going concern basis in the preparation of the Financial Report.</p> <p>The Entitlement Offer has also enabled the Company to agree financing arrangements and repayment terms with its key financiers.</p> <p>In the event that the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Group can continue as a going concern which is likely to have a material adverse effect on the Group's activities.</p>

Risk	Description
	<p>It is likely that further funding will be required to meet the medium term working operating costs of the Company and in the event that the Company is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.</p> <p>Further information in respect of additional requirements for capital are set out in the "Additional Requirements for Capital Risk".</p>
<p><b>Additional requirements for capital</b></p>	<p>The Company's ability to effectively implement its future business and operational plans, to take advantage of opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.</p> <p>Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Entitlement Offer.</p> <p>The Company is confident that it will be able to generate further funding as and when required. Additionally, the Company continuously explores available market opportunities in line with its business strategies and objectives which may enable the Company access additional funding.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programmes and/or business plans. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p><b>Coronavirus (COVID-19)</b></p>	<p>The outbreak of the coronavirus disease (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>

Risk	Description
	<p>COVID-19 has had a negligible impact on core monitoring operations and profit but did have an impact on ad-hoc style protective services revenue. COVID has however slowed the implementation of some of the groups business improvement strategies, which will continue in FY2022.</p> <p>The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. The Company has implemented a COVID-19 response plan for all of its monitoring centres.</p> <p>However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Entitlement Offer, the Company will notify investors under a supplementary prospectus.</p>
<p><b>Customer and Customer Retention Risks</b></p>	<p>As with most businesses, the Company runs risk from a loss of clients. As is common in this industry, the Company typically enjoys long customer relationships, and it has a diverse spread of customers. However, as with other industries, technology advancements or the Company not performing to customers' expectations, may lead to an increase in the difficulty of retaining customers. Loss of or significant decrease in business from customers could harm the Company's revenues and the Company's business.</p> <p>Further, although the Company has agreements in place with such customers, these agreements require the Company and/or the customers to meet certain obligations. Whilst the Company monitors its obligations under agreements there is no guarantee that customers will adequately or fully comply with their respective contractual rights and obligations including the obligations to pay for services provided.</p>

Risk	Description
<b>Customer Disputes</b>	The Company can from time to time find itself in a dispute with a customer. Given the significant diversity of the Company's customer base, the impact of any one dispute is immaterial. However should a systematic failure occur in the monitoring operations, there is no guarantee that this would not impact the availability of the services to many customers and therefore result in multiple disputes that could have an effect on the profitability of the Company. The Company monitors the systems carefully to minimise the risk of such disruptions and widespread customer disputes and complaints.
<b>Staff Risks</b>	The Company is dependent on securing and retaining skilled staff to operate. This includes skilled security personal to staff the security operating centres, and executive personal. There can be no guarantee that the Company will always be able to find, train and retain appropriate staff in a manner that does not impact the operations and therefore financial performance of the Group.
<b>Licence Risks</b>	The Company uses its best endeavours to ensure compliance with the relevant state security legislation and also maintains a Grading of A1 – Australian Standard 2201.2 There can be no guarantee that the company is always able to maintain its licenses at this or any standard going forward.
<b>Licence Agreement Risks</b>	<p>The Company is a party to a number of licence agreements with respect to the operation of its business. Whilst the Company monitors its compliance with such licence agreements, there is no guarantee that the Company or third parties will adequately or fully comply with their respective contractual rights and obligations.</p> <p>Depending on the relevant licence agreement and any future breaches of the obligations, the termination of a licence agreement may have an impact on the financial performance of the Group if a replacement licence agreement cannot be entered.</p>
<b>Competition Risk</b>	The Company operates in a large, competitive industry with numerous competitors. Some of these competitors are part of sizeable listed offshore groups that may have significantly greater financial, technical, human and marketing resources than are currently available to the Company. The Company's competitors may develop technologies and products that perform better and/or have greater market acceptance.

Risk	Description
	<p>The industry in which the Company operates is subject to rapid change. The Company will have no influence over the activities of its competitors, whose activities may negatively affect the operating and financial performance of the Company. For example, new technologies could overtake the Company's products, in which case the Company's revenue and profitability could be adversely affected.</p> <p>While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose product developments, activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.</p>
<b>Acquisition Risk</b>	<p>As part of the new strategic direction of the Group, the Company is exploring merger and acquisition opportunities with a view to strengthening its existing business. Accordingly, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions including contractual risks.</p> <p>The Company would also be likely to incur transactional costs in evaluating and negotiating such arrangements which will need to be incurred regardless of whether the proposed transactions complete or bring benefit to the Company.</p> <p>If consideration for such acquisitions are in the form of equity, or require equity financing, shareholder interests in the Company will likely be diluted. If debt financing is available and used it may involve restrictions on financing and operating activities of the Company.</p> <p>There is no guarantee that, following any acquisition, that the acquisition would ultimately be beneficial to the Group or that the perceived benefits of the acquisitions would be realised.</p>
<b>Intellectual Property Protection Risks</b>	<p>The Company seeks to differentiate its service through providing a unique and valuable service. In addition, it seeks to use the latest and most effective products and software to do so. There can be no guarantee that the Company is able to protect any or all of its intellectual property developed in the provision of its service in the future.</p>

Risk	Description
	<p>In addition the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights or defending against claims it has infringed on a third party's patent or other intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.</p>
<p><b>Climate Change Risk</b></p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li data-bbox="703 741 1418 1357">(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li data-bbox="703 1373 1418 1747">(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li> </ul>

## 4.5 Background to Capital Raising

### (a) Background

Over the past 24 months, the Company has experienced high debt levels, with a low (and consistently decreasing) market capitalisation. There have also been several changes to the Board. Prior to proceeding with

the Capital Raising, the Board considered the below circumstances of the Company:

- (i) current financial position – as at 30 June 2021, the Company's debt level (approximately \$51.2 million) well exceeded its low market capitalisation;
- (ii) earnings performance – the Company previously completed several acquisitions and planned to integrate operations to achieve cost synergies. Due to factors including COVID-19 disruptions and notwithstanding cost cutting initiatives, the Company has been unable to meet its earnings targets; and
- (iii) the Company's share price has been falling over the past 24 months, reflective of the matters noted above.

(b) **Alternatives**

In light of the circumstances set out above, the Board has been considering options to reduce debt levels and strengthen the Company's financial position such that it is in a position to carry out its proposed business operations going forward.

The Company has also implemented a number of changes to the Board and management team including:

- (i) Mr Demetrios Pynes resigned as Managing Director and CEO, and Mr John Hallam became the Company's new CEO;
- (ii) Mr Dennison Hambling became an Executive Director and Vice Chairman; and
- (iii) Mr Peter Kennan, replaced Mr Derek La Ferla as Non-Executive Chairman; and
- (iv) Mr Derek La Ferla resigned as Non-Executive Director.

The Board and CEO have been working to improve business performance, integration and establish a base on which to improve the Company's earnings in the future.

However, to do this successfully it is necessary to deal with the Company's debt position, and ensure the Company has sufficient working capital.

Prior to proceeding with the Capital Raising, the Company considered several alternatives, including the following:

- (i) asset or sale of the Company;
- (ii) merger or acquisition;
- (iii) refinancing; and
- (iv) equity raising.

(c) **Reasons for proceeding with the Offer**

Having considered the above alternatives, the Board ultimately decided to proceed with the Capital Raising for the following reasons:

- (i) investigations of the alternatives above did not provide a path to a viable outcome for the shareholders of the Company with sufficient value, certainty or timeliness;
- (ii) the Company's need for funding is urgent and the Capital Raising is considered to be a realistically achievable method of fundraising within the timeframe;
- (iii) the Capital Raising (and the agreed variations to the terms of the Company's debt facilities) is considered to be a viable method of both satisfying debt holders (being Ares, First Samuel and Black Crane), reducing debt levels and ongoing interest costs, and providing sufficient working capital to enable the Company to carry out its proposed business plan; and
- (iv) the Entitlement Offer is considered to be an effective method of providing existing Shareholders with an opportunity to participate in the capital raising. The Company considers that the support of existing shareholders is critical to the success of the Company.

#### 4.6 Directors interests in Securities and Director Participation

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Entitlement	\$
Peter Kennan <sup>1</sup>	31,250,000 <sup>2</sup>	718,750,000	\$3,593,750
Dimitri Bacopanos <sup>3</sup>	333,333 <sup>4</sup>	7,666,659	\$38,333.30
Dennison Hambling <sup>5,8</sup>	25,491,890 <sup>6</sup>	586,313,470	\$2,931,567.35

**Notes:**

1. Appointed on 20 January 2020.
2. Held indirectly by Black Crane. Black Crane is a related party of the Company by virtue of being controlled by Director Mr Kennan. Mr Kennan controls Black Crane's investment manager and thereby has the capacity to influence the business decisions of Black Crane.
3. Appointed on 1 January 2017.
4. Held indirectly as trustee for BNN Super Fund A/C (Mr Bacopanos is a trustee and member of the BNN Super Fund). Refer to Appendix 3Y dated 2 November 2020.
5. Appointed on 20 January 2020.
6. Comprising:
  - (a) 123,084 Shares held directly by Mr Hambling;
  - (b) 198,806 Shares held indirectly through JP Morgan Nominees Australia Pty Limited as trustee for Glasward Superannuation Fund. Mr Hambling has a beneficial interest in the Shares; and
  - (c) 25,170,000 Shares held indirectly through First Samuel Limited, which granted 360 Capital Equities Management Pty Ltd a call option over 25,170,000 fully paid ordinary

shares in the Company held in the name of JP Morgan Nominees Australia Pty Ltd. Dennison Hambling is a former Director of 360 Capital Equities Management Pty Ltd and retains an economic interest should any profit be realised on these shares. Refer to Appendix 3Y dated 20 May 2020.

7. None of the Directors hold Options (and there are currently no Options on issue).
8. The Company is currently finalising the terms on which it proposes to issue performance rights in the capital of the Company (**Performance Rights**). As at the date of this Prospectus, the Company intends to issue up to 185,000,000 Performance Rights to Mr Hambling subject to shareholder approval. Once known, the Company will announce further details of the Performance Rights on its ASX platform (and, in any event, seek Shareholder approval prior to their issue).
9. Under the Black Crane Debt Termination Agreement (summarised at Section 9.5) Black Crane has committed to a maximum sub-underwriting commitment of \$15,406,250. For further details on Black Crane's sub-underwriting commitment refer to Section 4.9 below and for further details on the Black Crane Debt Termination Agreement and associated fees refer to Section 9.5.

The Board recommends all Shareholders take up their Entitlements.

Dennison Hambling has advised that he intends to take up \$50,000 of his Entitlement being 10,000,000 Shares and this will occur under the Institutional Offer. Dimitri Bacopanos has advised that he will take up his full Entitlement and this will occur under the Retail Offer. The aggregate of Mr Hambling's and Mr Bacopanos' confirmed participation is 17,666,659 Shares.

Under the Black Crane Debt Termination Agreement, which is summarised at Section 9.5, Black Crane has agreed to take up its full Entitlement of 718,750,000 Shares for \$3,593,750 and this will occur under the Institutional Offer (**Black Crane Entitlement**).

#### 4.7 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	% (as at date of Prospectus)	% (as at Record Date following issue of Placement Shares) <sup>5</sup>
First Samuel Limited	61,903,702 <sup>1</sup>	25.69	22.34
Black Crane Asia Pacific Opportunities Fund	31,250,000 <sup>2</sup>	12.97	11.28
360 Capital Equities Management Pty Ltd	25,170,000 <sup>3</sup>	10.45	9.08
MMS1 Pty Ltd	13,587,641 <sup>4</sup>	5.64	4.90

#### Notes:

1. Refer to Substantial Holder Notice released on the ASX platform (ASX: TPS) on 20 July 2021. First Samuel has entered into managed discretionary account contracts with its clients that provide it with the authority to acquire and dispose of the relevant securities at its sole discretion.
2. Refer to the Annual Report for FY21 released on the ASX platform (ASX: TPS) on 31 August 2021 and the Substantial Holder Notice released on 9 December 2019.
3. Held indirectly through First Samuel, which granted 360 Capital Equities Management Pty Ltd a call option over 25,170,000 Shares held in the name of JP Morgan Nominees Australia

Pty Ltd. Refer to Substantial Holder Notice released on ASX platform (ASX: TPS) on 11 December 2019.

4. Refer to Substantial Holder Notice released on the ASX platform (ASX: TPS) on 10 December 2019.
5. The above substantial holders interests in the Company will be diluted by the Placement, along with all other existing Shareholders who are not participating in the Placement.

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Entitlement Offer.

#### **4.8 Underwriter and Lead Manager**

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (ACN 010 539 607) (AFSL 235410) (**Underwriter**). The Underwriter is not currently a Shareholder and is not a related party of the Company for the purposes of the Corporations Act.

The Underwriter has also been appointed as the lead manager of the Placement and the Entitlement Offer and will be paid 1% (plus GST) of the proceeds of the Placement and the Entitlement Offer in consideration for the provisions of those services, being a fee of \$320,472.

The Company will also pay the Underwriter an underwriting fee of 4% (plus GST) of the total proceeds raised from the Placement and the Entitlement Offer (less the Black Crane Final Sub-Underwritten Amount) to the Underwriter.

The obligation of the Underwriter to underwrite the Entitlement Offer and the Placement is subject to certain events of termination. Refer to Section 9.4 for details regarding the key terms of the Underwriting Agreement.

The Underwriter has agreed that, provided the Underwriting Agreement is not validly terminated, any unallocated Institutional Shortfall Shares remaining under the Institutional Shortfall Bookbuild and any unallocated Retail Shortfall Shares remaining under the Retail Shortfall Bookbuild must be subscribed for by the Underwriter or sub-underwriters.

The allocation of the Institutional Shortfall Shares and the Retail Shortfall Shares will be at the discretion of the Underwriter in consultation with the Company other than any Retail Shortfall Shares applied for by Eligible Retail Shareholders under the Retail Shortfall Offer which will be given priority to the Retail Shortfall Shares under the Retail Shortfall Bookbuild. For further information regarding the application and allocation of Retail Shortfall Shares please refer to Section 5.14.

The Underwriter intends to enter into sub-underwriting agreements in respect of the Entitlement Offer with various sub-underwriters (**Sub-Underwriters**), including a sub-underwriting agreement with Black Crane to take up the Institutional Shortfall Shares and the Retail Shortfall Shares. .

Under the Underwriting Agreement, the Underwriter has agreed that, other than Black Crane, no Sub-Underwriter will increase their Shareholding to above 19.99% as a direct result of the issue of Institutional Shortfall Shares or the Retail Shortfall Shares.

#### **4.9 Sub-underwriting by Black Crane and effect on control**

Under the terms of the Black Crane Debt Termination Agreement, Black Crane has agreed to sub-underwrite up to \$15,406,250 being 3,081,250,000 Shares of the Entitlement Offer (**Black Crane Sub-Underwriting Commitment**). The Black Crane

Sub-Underwriting Commitment is in addition to the Black Crane Entitlement that Black Crane has agreed to subscribe for.

Black Crane is a related party of the Company by virtue of being an entity ultimately controlled by a Director, Peter Kennan.

The final amount that Black Crane ultimately sub-underwrites will be determined by the Company (in consultation with the Underwriter) upon completion of the Institutional Shortfall Bookbuild (**Black Crane Final Sub-Underwritten Amount**). Morgans and Black Crane intend to enter into a sub-underwriting agreement for the Black Crane Final Sub-Underwritten Amount following the date of this Prospectus (**Black Crane Sub-Underwriting Agreement**).

Other than in respect of fees, the Black Crane Sub-Underwriting Agreement will be on standard terms and consistent with the sub-underwriting agreements for other general sub-underwriters.

Black Crane will not receive any fee under the Black Crane Sub-Underwriting Agreement however the Black Crane Sub-Underwriting Commitment is an agreed term of the Black Crane Debt Termination Agreement. Under the terms of the Black Crane Debt Termination Agreement, the Company will pay a fee of \$600,000 for providing support and advice in respect of the structuring and execution of the Capital Raising and for procuring that Black Crane entered the Black Crane Debt Termination Agreement and a fee of \$800,000 for procuring Black Crane's agreement to the Black Crane Sub-Underwriting Commitment (being approximately 4.2% of the Black Crane Sub-Underwriting Commitment and the Black Crane Entitlement). For further details on the Black Crane Debt Termination Agreement refer to Section 9.5.

Based on the number of Shares on issue as at the date of the Prospectus Black Crane has a relevant interest in 31,250,000 Shares representing 12.97% of the Shares on issue.

As stated above, Black Crane has agreed to take up the full Black Crane Entitlement. As Black Crane is an institutional investor Black Crane will participate and take up its Entitlement as part of the Institutional Offer.

It is intended that the Black Crane Sub-Underwriting Commitment will sub-underwrite the Retail Offer first with any excess to sub-underwrite the Institutional Offer to minimise control effect.

Assuming, Black Crane sub-underwrites the full Black Crane Sub-Underwriting Commitment, Black Crane may be issued a further 3,081,250,000 Shares under the Entitlement Offer equating to a maximum aggregate holding by Black Crane of 3,831,250,000 Shares which would result in a maximum potential shareholding and voting power of 57.61% for Black Crane upon completion of the Entitlement Offer.

Black Crane's present relevant interest and voting power under several scenarios are set out in the table below and are based on the assumption that Black Crane takes up the full Black Crane Entitlement under the Institutional Offer of 718,750,000 Shares and takes up its maximum sub-underwriting allocation under each scenario.

Event	Shares held by Black Crane <sup>1</sup>	Voting power of Black Crane <sup>2</sup>
Prospectus Date	31,250,000	12.97%
Record Date <sup>1</sup>	31,250,000	11.28%
<b>Completion of Entitlement Issue</b>		
100% subscribed	750,000,000	11.28%
50% subscribed	1,363,353,232	20.50%
30% subscribed	2,638,011,939	39.67%
20% subscribed	3,275,341,293	49.25%
11.28% subscribed <sup>2</sup>	3,831,250,000	57.61%

**Notes:**

1. Assuming a total of 277,099,719 Shares are on issue at the Record Date following completion of the Placement.
2. Assuming that Black Crane is the only Shareholder to subscribe for its Entitlement.
3. Assuming shortfall allocations are first assigned to other Sub-Underwriters, with Black Crane taking up the remaining shortfall thereafter.

The number of Shares held by Black Crane and its voting power in the table above show the potential effect of Black Crane's sub-underwriting of the Entitlement Offer where the Black Crane Final Sub-Underwritten Amount is equal to the Black Crane Sub-Underwriting Commitment and the maximum is allocated to Black Crane and only Black Crane take up their Entitlements.

However, the Board considers that it is unlikely that no Shareholders, other than Black Crane, will take up Entitlements under the Entitlement Offer and that other investors and other Sub-Underwriters would not be allocated Institutional Shortfall Shares and Retail Shortfall Shares. The sub-underwriting allocation and therefore voting power of Black Crane will reduce by a corresponding amount of Entitlements accepted under the Entitlement Offer by Shareholders and the allocation of Institutional Shortfall Shares and Retail Shortfall Shares to other parties including those Shareholders that apply for Retail Shortfall Shares in excess of their Entitlements.

Refer to Section 5.14 for further details of the allocation under the Retail Shortfall Shares.

#### **4.10 Intentions of Black Crane**

Given the potential increase in the voting power in the Company of Black Crane, there is also a requirement to provide details of Black Crane's current intentions for the Company.

Black Crane has informed the Company that since it is presently supportive of the Company's current direction, it does not currently intend to make any major changes to the direction, activities or objectives of the Company.

Black Crane has indicated that its intentions mentioned in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of this Prospectus. Any future decisions will be reached by Black Crane based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new

information becomes available in the future, Black Crane 's intentions could change.

Black Crane has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's proposed use of funds raised under the Offer. Black Crane has indicated that it is presently willing to consider any proposals the Company's Board and management may put forward as to how Black Crane could support and assist the Company towards reaching its objectives.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligations of the Directors at the time, including Peter Kennan and any nominees of Black Crane if relevant in the future, to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of Shareholders.

The implementation of Black Crane's current intentions as set out above will be subject to the law (including the Corporations Act) and the Company's Constitution. In particular, the requirements of the Corporations Act in relation to conflicts of interest and "related party" transactions will apply as Black Crane is a related party of the Company.

#### 4.11 Potential Dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 95.83% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	3.61%	230,000,000	10,000,000	0.15%
Shareholder 2	5,000,000	1.80%	115,000,000	5,000,000	0.08%
Shareholder 3	1,500,000	0.54%	34,500,000	1,500,000	0.02%
Shareholder 4	400,000	0.14%	9,200,000	400,000	0.01%
Shareholder 5	50,000	0.02%	1,150,000	50,000	0.00%
<b>Total</b>	<b>277,099,719</b>		<b>6,373,293,537</b>		<b>6,650,393,256</b>

**Notes:**

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Institutional Shortfall Offer and the Retail Shortfall Offer or by the Underwriter.
2. This is based on a share capital of 277,099,719 Shares as at the Record Date.

#### 4.12 Enquiries

Any questions concerning the Entitlement Offer should be directed to Offer Information Line on 1300 494 861 within Australia and +61 1300 494 861 from outside Australia.

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## 5. DETAILS OF THE ENTITLEMENT OFFER

### 5.1 The Entitlement Offer

The Entitlement Offer is being made as an accelerated renounceable entitlement issue (with retail rights trading) of twenty-three (23) Shares for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.005 to raise \$31,866,468:

As the Entitlement Offer is accelerated it has two components:

- (a) an accelerated offer to Eligible Institutional Shareholders (**Institutional Offer**) expected to comprise of the issue of approximately 3,552,744,289 Shares at an issue price of \$0.005 per Share to raise up to \$17,763,721 (before costs) and which is expected to settle on 30 September 2021; and
- (b) an offer to Eligible Retail Shareholders (**Retail Offer**) expected to comprise of the issue of up to approximately 2,820,549,248 Shares at an issue price of \$0.005 per Share to raise up to approximately \$14,102,746 (before costs) and which is expected to settle on 28 October 2021.

All Shareholders registered at the Record Date will be eligible to participate in the Entitlement Offer and this will include those investors that become Shareholders under the Placement.

Based on the capital structure of the Company as at the date of this Prospectus and assuming that only the Placement Shares are issued before the Record Date, a maximum of 6,373,293,537 Shares will be issued pursuant to the Entitlement Offer. Fractional entitlements will be rounded up to the nearest whole number.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus.

Please refer to Section 8 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

### 5.2 Institutional Entitlement Offer

The Institutional Offer will be conducted over a two-trading day period. During the Institutional Offer period Eligible Institutional Shareholders will be invited to participate in the Institutional Offer and will be afforded the opportunity to subscribe for all, part or none of their Entitlements at the issue price of \$0.005 per Share.

Any Eligible Institutional Shareholder that does not confirm their acceptance of the Institutional Offer by the close of the Institutional Offer on 27 September 2021 will be deemed to have renounced all of their Entitlements and will not receive any value in respect of their Entitlement.

The Institutional Offer is being made in accordance with ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/24.

### 5.3 Institutional Shortfall Bookbuild

Entitlements that Eligible Institutional Shareholders do not take up by the close of

the Institutional Offer (**Institutional Shortfall Shares**) will be sold through the institutional shortfall bookbuild to complete on 27 September 2021 (**Institutional Shortfall Bookbuild**).

The Institutional Shortfall Bookbuild will be managed by Morgans and the present intention is to offer the Institutional Shortfall Bookbuild to Eligible Institutional Shareholders and selected institutional investors through a volume bookbuild process over the Institutional Offer period at the issue price of \$0.005.

As per the Underwriting Agreement, any remaining Institutional Shortfall Shares will be allocated and subscribed for by the Underwriter and/or Sub-Underwriters.

#### **5.4 Retail Offer**

Eligible Retail Shareholders being all Shareholders that are registered on Record Date that are not Eligible Institutional Shareholders, are invited to participate in the Retail Offer under the Prospectus on the same terms as the Institutional Offer.

The Entitlement of Eligible Retail Shareholders to participate in the Retail Entitlement Offer will be determined on the Record Date. The Entitlement will be shown on the Entitlement and Acceptance form accompanying this Prospectus.

You may accept a lesser number of Shares should you wish to take up only part of your Entitlement.

Your Entitlement is renounceable which means the rights to your Entitlement (**Retail Rights**) it can be sold or transferred.

Eligible Retail Shareholders who wish to participate under the Retail Offer will need to follow the institutions set out at Sections 5.6 to 5.9 of this Prospectus.

#### **5.5 Removal of trading restrictions**

In addition to raising money under the Retail Offer a purpose of the Retail Offer being conducted under this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Retail Offer Closing Date (including prior to the date of this Prospectus). In particular, the Retail Offer is intended to remove any on-sale restrictions that may affect the Placement Shares and the Shares issued under the Institutional Offer, including the Institutional Shortfall Shares which are intended to be issued prior to the Retail Offer Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

As an offer of Shares is being made under this Prospectus, the Prospectus will remove any trading restrictions on the Shares issued under the Placement and the Institutional Offer (including the Institutional Shortfall Bookbuild).

## **5.6 What Eligible Retail Shareholders may do**

The number of Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) take up all or some of their Entitlement (refer to Section 5.7);
- (b) take up all of their Entitlement and apply for additional Shares, being Retail Shortfall Shares under the Retail Shortfall Offer (refer to Section 5.8);
- (c) sell or transfer all or some of their Entitlement (refer to Section 5.9); or
- (d) allow all or part of their Entitlement to lapse (refer to Section 5.10).

Your acceptance of the Retail Offer must be made in accordance with the Entitlement and Acceptance Form accompanying this Prospectus. If your acceptance exceeds your Entitlement as shown on that form, your acceptance will be deemed to be for the maximum Entitlement and the excess will be treated as an application for Retail Shortfall Shares.

## **5.7 Taking up all of some of your Retail Entitlement**

If you wish to accept all or some of your Entitlement you must submit your application through making a payment for the amount specified on your Entitlement and Acceptance Form.

Note if you wish to take up only part of your Entitlement only make a payment for the number of Shares you wish to take up noting issue price of \$0.005. If you take no further action in respect to your remaining Entitlement, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

## **5.8 Taking up all of your Entitlement and applying for Shares under the Retail Shortfall Offer**

If you wish to take your **full** Entitlement **and** apply for Shares under the Retail Shortfall Offer, make a payment for the aggregate of the Entitlement Shares you wish to accept and the Retail Shortfall Shares you wish to apply for at A\$0.005 per Share. The amount paid that is in excess of the amount payable for full acceptance of your Entitlement will be treated as an application for Retail Shortfall Shares. The terms of the Retail Shortfall Offer are set out in Section 5.14 below.

## **5.9 Selling or transferring all or some of their Entitlement**

If you do not wish to take up all or some of your Entitlements, you may be able to sell all or some of your Entitlements on ASX through your broker or transfer your Entitlements directly to another person.

Retail Entitlements may be traded on ASX (on a deferred settlement basis) from Tuesday 28 September 2021 until Monday 11 October 2021 ("**Retail Entitlement Trading Period**").

You may incur brokerage costs if you sell all or some of your Entitlements on ASX. Depending on the number of Retail Entitlements you have, brokerage costs may have a material impact on the net proceeds you receive.

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 5.7.

If you sell your Entitlements during the Retail Entitlement Trading Period, you may receive a higher or lower amount than an Eligible Retail Shareholder who sells their Entitlements at a different time during the Retail Entitlement Trading Period. Your percentage shareholding in the Company will also be diluted.

If you only sell or transfer some of your Entitlements, you may choose to take up the remainder (see Section 5.7 above) or you may do nothing and let your remaining Entitlements lapse (see Section 5.10).

If you take up all or some of your Entitlements (see Section 5.7) you will not be able to sell or transfer those Entitlements. The Company will not be liable for any losses you incur if you attempt to sell or transfer any Entitlements that you take up beforehand.

It is your responsibility to confirm the number of Retail Entitlements you have for the purposes of ASX on-market trades and off-market transfers.

There is no guarantee that there will be a liquid market in traded retail Entitlements and therefore there is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX. ASX may suspend trading in Retail Rights if the theoretical Retail Rights price is or becomes less than \$0.001, the minimum trading price on the AX trading platform.

#### **5.10 Allow all or part of your Entitlement to lapse**

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Retail Offer Closing Date, the Entitlement Offer to you will lapse.

However, Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or off market.

## 5.11 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

## 5.12 Payment options

### (a) **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Retail Shortfall Shares (if any) under the Retail Shortfall Offer, to the extent of the excess.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 7:00 pm (AEST) on the Retail Offer Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

Any Application Monies received for more than your final allocation of Shares, including Retail Shortfall Shares, will be refunded (only where the amount is A\$1.00 or greater). No interest will be paid on any Application Monies received or refunded.

### **Guidance where you have more than one CRN (Shareholding of Shares)**

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Retail Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you must be an overseas Eligible Retail Shareholder;
- (ii) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (iii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies; and
- (iv) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Retail Shortfall Shares (if any) under the Retail Shortfall Offer, to the extent of the excess.

(c) **Payment by offset of debt**

Please refer to Section 5.17.

(d) **No payment by cheque/bank draft**

In light of delays in postage delivery times, it is considered unlikely that Entitlement and Acceptance Forms that are returned by post with payment by cheque or bank draft will be received by the Share Registry in time for the Company to accept the application. As a result, the Company has determined that payments may not be made by cheque and bank draft.

### **5.13 Minimum subscription**

There is no minimum subscription to the Entitlement Offer.

### **5.14 Retail Shortfall Offer**

Any Shares not subscribed for under Entitlements under the Retail Offer will form the Retail Shortfall Offer (**Retail Shortfall Shares**).

The Retail Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Retail Offer Closing Date unless closed early. The issue price for each Share to be issued under the Retail Shortfall Offer shall be \$0.005, being the issue price for Shares under the Entitlement Offer.

Eligible Retail Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Retail Shortfall Shares under the Retail Shortfall Offer by completing and following the appropriate section on their Entitlement and Acceptance Form.

Retail Shortfall Offer will only be available where there are Retail Shortfall Shares, being a shortfall between the Entitlements being offered to Eligible Retail Shareholders under the Retail Offer and the Entitlements taken up by Eligible Retail Shareholders.

In the event there are Retail Shortfall Shares, the Underwriter and the Company have agreed that the Retail Shortfall Shares will be allocated as a priority to those Eligible Retail Shareholders applying for Retail Shortfall Shares under the Retail Shortfall Offer so long as the issue of Retail Shortfall Shares to that Eligible Retail Shareholder would not take their voting power to in excess of 19.99%.

If the Offer is oversubscribed (by take up of Entitlements and applications for Retail Shortfall Shares by Eligible Retail Shareholders), scale back will be applied to applications under the Retail Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Retail Shareholders. There is no guarantee that Eligible Shareholders will receive Retail Shortfall Shares applied for under the Retail Shortfall Offer.

All decisions regarding the allocation of Retail Shortfall Shares and application of any scale-back will be made by the Board in conjunction with the Underwriter and will be final and binding on all Eligible Retail Shareholders.

A subscription for Retail Shortfall Shares may not be successful (in whole or part), in which case excess Application Monies for Retail Shortfall Shares will be refunded (only where the amount is A\$1.00 or greater). No interest will be paid on any Application Monies received or refunded. The decision on the number of Retail Shortfall Shares to be allocated to Eligible Retail Shareholders will be final.

Shareholders are encouraged to register their bank account details with the Share Registry in order to enable a faster refund.

The Company and the Underwriter notes that no Shares will be issued to an applicant under this Prospectus, including the Retail Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Retail Shortfall Offer to any related parties of the Company. For avoidance of doubt the Company confirms that Black Crane is not eligible to participate in the Retail Shortfall Offer.

#### **5.15 Retail Shortfall Bookbuild**

Retail Shortfall Shares that Eligible Retail Shareholders do not subscribe by the Retail Offer Closing Date of the Retail Offer will be sold through the Retail Shortfall Bookbuild.

The Retail Shortfall Bookbuild will be managed by Morgans and the present intention is to offer the Retail Shortfall Bookbuild to selected institutional investors through a volume bookbuild process between Thursday 21 October 2021 to Monday 25 October 2021 at the issue price of \$0.005 per Share.

Pursuant to the Underwriting Agreement, any remaining Retail Shortfall Shares will be allocated and subscribed for by the Underwriter and/or Sub-Underwriters.

#### **5.16 Access to Entitlement and Acceptance Form and Prospectus**

Eligible Retail Shareholders at the Record Date who have elected to receive communications electronically will be emailed notification of the Offer and how to access this Prospectus with their Entitlement and Acceptance Form on Monday 4 October 2021. Eligible Retail Shareholders at the Record Date who have elected

to receive communications by post will be sent a letter by post on 4 October 2021 notifying the Shareholder of the Offer and informing them of how to access the Prospectus and their Entitlement and Acceptance Form.

All Shareholders can access the Prospectus and download an Entitlement and Acceptance Form via <https://www.threatprotect.com.au/>.

Due to ongoing delays caused by the COVID-19 pandemic, it is recommended you access your documents online. For further information on receipt of and access to an electronic prospectus please refer to Section 2.3.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to an Application Form, it was not provided together with access to the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

The Company shall not be responsible for any postal or delivery delays.

### **5.17 Payment by Offset of Debt**

If, as at the date of this Prospectus, the Company owes you money (e.g. through debt agreements, financing facilities or as any other creditor), you are permitted to pay for your Entitlement by way of offset of the Application Monies against those amounts owing to you by the Company.

To elect to satisfy the Application Monies in respect of your Entitlement by converting some of all of the existing debt owed to you by the Company your Entitlement and Acceptance Form, you will need to complete the appropriate section in the Entitlement and Acceptance Form.

This will require you specifying the total amounts owing to you by the Company for which you intend to offset payment under the Entitlement Offer, which will be based on an issue price of \$0.005 per Share. For clarity, the payment by way of offsetting does not enable any creditor Shareholders to take up more Shares under the Entitlement Offer than if the facility was not available. That is, creditor Shareholders may only convert the amount owed to them (including interest accrued on debt) by the Company for Application Monies in respect of application of Shares under their Entitlement, for Retail Shortfall Shares or, where relevant to satisfy a sub-underwriting commitment.

The offset will be undertaken on a dollar for dollar basis (subject to foreign exchange conversion) at the issue price of the Entitlement Offer (being A\$0.005 per Share), and, in the case of any fractional entitlements, the number of Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

To the extent that Entitlements are taken up through the use of the offsetting debt facility, the debt payable to creditor relevant Shareholders will reduce by the equivalent amount from the effective cash proceeds of the Offer.

As set out in further detail in Section 9.4, major Shareholder Black Crane has agreed to pay for its Entitlement and where relevant all or part of the Black Crane Final Sub-Underwritten Amount by way of offsetting the payment for the Shares against the Settlement Amount to be paid under the terms of the Black Crane Debt Termination Agreement.

Any payment made by Black Crane by way of offsetting does not enable Black Crane to take up more Shares under the Entitlement Offer (including through sub-underwriting commitments) than if the facility was not available. For the maximum number of Shares that Black Crane may receive under the Entitlement Offer (including through sub-underwriting) and the potential control implications, please refer to Section 4.9.

#### **5.18 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **5.19 Issue of Shares**

Shares issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Retail Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### **5.20 Overseas shareholders**

The Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Entitlement Offer is being extended to all Shareholders as at the Record Date.

This includes Shareholders with a registered address in Australia, New Zealand, Canada, Germany, Hong Kong, Isle of Man, Philippines, The United Republic of Tanzania, United Arab Emirates, United Kingdom and Zambia.

##### **New Zealand**

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these Shares is being made in reliance the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Canada**

This Prospectus constitutes an offering of Retail Rights and Shares in the Canadian province of Saskatchewan (the Province) where existing shareholders of the Company are resident. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Province.

No securities commission or other authority in the Province has reviewed or in any way passed upon this document, the merits of the Retail Rights and the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Province with respect to the offering of Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Any resale of the Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security (such as Shares) of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

### **Germany**

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Retail Rights or the Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Retail Rights and Shares in Germany is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors);  
or

- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### ***Hong Kong***

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### ***Isle of Man***

No offer or invitation to subscribe for securities may be made to the public in the Isle of Man. The Retail Rights and the Shares may only be offered and sold to existing shareholders of the Company.

### ***Philippines***

**THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION (“SEC”) UNDER THE PHILIPPINE SECURITIES REGULATION CODE (THE “CODE”). ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

The Retail Rights and the Shares are being offered or sold to existing Shareholders of the Company in an exempt transaction under Section 10.1(e) of the Code. The Company has not sought confirmation, and the SEC has not confirmed, whether the Offer qualifies as an exempt transaction under the Code.

### ***The United Republic of Tanzania***

In accordance with the Capital Markets and Securities Act, CAP. 79 R.E. 2002 of Tanzania, a person is restricted from issuing or causing to be issued an advertisement offering securities without the approval of the Capital Markets and Securities Authority (CMSA). Here, the offer of Retail Rights and Shares is not an advertisement that publicly offers securities as it is being made in private circulation to an existing shareholder of the Company. As such, this document has not been approved or registered by the CMSA and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

### ***United Arab Emirates***

This document does not constitute a public offer of securities in the United Arab Emirates. The Retail Rights and Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the Shares have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This document may be distributed in the UAE only to existing shareholders of the Company and may not be provided to any person other than the original recipient. Information about the Offer may be found in this document and on the Company's website. If a recipient of this document ceases to be a shareholder of the Company at the time of subscription, then such person should discard this document and may not participate in the Offer.

No marketing of the Retail Rights or the Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

No offer or invitation to subscribe for Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

### **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Retail Rights or the Shares.

The Retail Rights and the Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Retail Rights and the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

### **Zambia**

The offer of the Retail Rights and the Shares has not been registered with, or approved by, any securities regulators in Zambia and, consequently, may not be offered, sold or transferred to the public in Zambia, or to any Zambian person or entity, or to any person or entity residing or located in Zambia. The Retail Rights and the Shares will be offered and sold in Zambia only to existing shareholders of the Company. No Retail Rights or Shares may be offered or sold, directly or indirectly, to the public and neither this document nor any advertisement nor other offering material may be distributed or published to the public in Zambia.

### **Nominees and custodians**

Nominees and custodians may not distribute this document and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, Isle of Man, New Zealand, Philippines, Canada (Saskatchewan province), Tanzania, the United Arab Emirates (excluding the financial zones) and

Zambia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

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## 6. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

### 6.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$31,866,468 before costs.

The funds raised from the Entitlement Offer (and the Placement) are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer	Full Subscription (\$m)	%
1.	Ares Repayment <sup>1</sup>	8.90	27.78%
2.	Black Crane Repayment <sup>1,2,7</sup>	7.06	22.04%
3.	First Samuel Repayment	5.70	17.79%
4.	Transaction costs <sup>3</sup>	2.90 <sup>3</sup>	9.03%
5.	Working Capital <sup>4</sup>	7.49	23.36%
	<b>Total</b>	<b>32.05</b>	<b>100</b>

#### Notes:

1. To the extent that the amount which Black Crane is owed under the Black Crane Debt Termination Agreement being the Settlement Amount is not offset by Black Crane's subscription under the Entitlement Offer and sub-underwriting commitments (**Black Crane Commitments**) the difference between the Settlement Amount and the Black Crane Commitments shall be repaid to Ares in reduction of the Ares' debt such that the Ares repayment will be increased. Regardless, the aggregate repayments to be made to Black Crane and Ares will be \$8.9million plus the Settlement Amount (of approximately \$7.06 million).
2. The maximum that Black Crane will be repaid is the Settlement Amount. In certain circumstances the repayment to Black Crane may be reduced as per Note 1 above. The lowest repayment to be made to Black Crane would be \$3,593,750, being the Black Crane Entitlement assuming that Black Crane does not have to subscribe for any Shares under its sub-underwriting commitment.
3. Refer to Section 9.10 for further details relating to the estimated expenses of the Capital Raising.
4. Working capital includes investment in systems integration, approximately \$1.7 million in FY22 customer acquisition costs including potential conversions of wholesale customers to retail, and payment of other business expenses and trade creditors.
5. The Company considers it appropriate to include the funds of the Placement in the proposed use of funds table above, given the Placement is to be conducted in conjunction with the Entitlement Offer and given the Company expects to receive the funds from both the Placement and the Entitlement Offer very close together in time.
6. As set out at Section 5.17, a Shareholder who is also owed money by the Company may elect to pay for their Entitlement, application under the Retail Shortfall Offer or sub-underwriting commitment by means of offsetting some or all of the existing debt owed to them by the Company. To the extent that Shares are subscribed through the offsetting debt facility, for parties other than Black Crane, the working capital will reduce and the equivalent amount will go towards general debt/creditor repayment.
7. Black Crane has confirmed that it will offset the amount owed by the Company equal to the Settlement Amount for subscription for its Entitlement and any of its sub-underwriting commitment. Any offsetting will reduce the cash received under the Entitlement Offer but the net effect for the uses of funds will not be impacted.

On completion of the Placement and the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

## 6.2 Effect of the Entitlement Offer and the Placement

The principal effect of the Entitlement Offer and the Placement, assuming the Placement is fully subscribed and no additional Securities are issued prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$29.15 million (after deducting the estimated expenses of the Entitlement Offer and the Placement and subject to the application of the debt offsetting facility) immediately after completion of the Entitlement Offer;
- (b) reduce debt to the extent the debt offsetting facility is utilised; and
- (c) increase the number of Shares on issue from 240,956,278 Shares as at the date of this Prospectus to 6,650,393,256 Shares.

## 6.3 Effect on capital structure

The effect of the Entitlement Offer and the Placement on the capital structure of the Company, assuming no additional Securities are issued prior to the Record Date, is set out below.

### Shares

	Number
Shares currently on issue	240,956,278 <sup>1</sup>
Shares issued pursuant to the Placement	36,143,441
Shares issued pursuant to the Institutional Entitlement Offer	3,552,744,289
Shares offered pursuant to the Retail Entitlement Offer	2,820,549,248
<b>Total Shares on issue after completion of the Entitlement Offer</b>	<b>6,650,393,256<sup>1</sup></b>

### Loan Notes

	Number
Loan Notes currently on issue	6,500,000 <sup>2</sup>
Loan Notes offered pursuant to the Entitlement Offer	Nil
<b>Total Loan Notes on issue after completion of the Entitlement Offer</b>	<b>Nil<sup>2</sup></b>

#### Notes:

1. 3,259,872 of these Shares were issued under the Company's Share Plan and are currently subject to voluntary escrow. These Shares are still eligible for Entitlement under the Entitlement Offer.
2. As set out at Section 5.17, a Shareholder who is also a creditor of the Company may elect to take up their Entitlement, application under the Retail Shortfall Offer or sub-underwriting commitment by means of offsetting some or all of the existing debt owed to them by the

Company. As the debt offsetting facility does not enable any creditor or Shareholder to take up more Shares under the Offer than if the facility was not available it will have no effect on the capital structure of the Company.

3. A summary of the current terms of these notes is set out in the Notice of Meeting dated 26 June 2020 and amended as per the Addendum dated 9 July 2020. Refer to Section 9.4 for the terms on which the Company and Black Crane have agreed that following the completion of the Entitlement Offer all of these Loan Notes will be cancelled or varied so that the Loan Notes are no longer convertible and accordingly, they will no longer be on issue as part of the Company's capital structure. Any Loan Notes that remain following the Entitlement Offer will solely be debt.
4. As noted in Section 4.6, the Company is currently finalising the terms on which it proposes to issue Performance Rights to CEO, John Hallam and Director, Dennison Hambling, subject to Shareholder approval. As at the date of this Prospectus, the Company intends to issue up to 185,000,000 Performance Rights to Mr Hallam and up to 185,000,000 Performance Rights to Dennison Hambling. Once known, the Company will announce further details of the Performance Rights on its ASX platform (and, in any event, seek Shareholder approval prior to their issue).

As at the date of this Prospectus no Securities are on issue other than the Shares and Loan Notes.

The capital structure as at the date of this Prospectus is 240,956,278 Shares and on completion of the Entitlement Offer (including the Shares to be issued under the Placement and assuming no additional Shares are issued prior to the Record Date) would be 6,650,393,256 Shares.

Other than as disclosed no Shares or Loan Notes on issue are subject to escrow restrictions, either voluntary or ASX imposed.

The Company confirms that it is considering a consolidation of its issued capital on a basis of 100 to 1. The consolidation will be subject to shareholder approval and further information regarding the consolidation will be disclosed on the Company's ASX platform and notice of meeting at the relevant time.

#### **6.4 Pro-forma balance sheet**

The audited balance sheet as at 30 June 2021 and the unaudited pro-forma balance sheet as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming successful completion of the Placement and Entitlement Offer and no additional Shares are issued prior to the Record Date and including expenses of the Entitlement Offer and the Placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2021 \$	PROFORMA \$
<b>CURRENT ASSETS</b>		
Cash <sup>1,2,5</sup>	1,833,820	9,319,913
Other current assets	3,013,343	3,013,343
<b>TOTAL CURRENT ASSETS</b>	<b>4,847,163</b>	<b>12,333,256</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	931,618	931,618
Intangibles	28,807,568	28,807,568
Other non-current assets	477,260	477,260
<b>TOTAL NON-CURRENT ASSETS</b>	<b>30,216,446</b>	<b>30,216,446</b>
<b>TOTAL ASSETS</b>	<b>35,063,609</b>	<b>42,549,702</b>
<b>CURRENT LIABILITIES</b>		
Short term borrowings <sup>3</sup>	-47,094,246	885,446
Other current liabilities	-13,415,469	13,415,469
<b>TOTAL CURRENT LIABILITIES</b>	<b>-60,509,715</b>	<b>14,300,914</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings <sup>4</sup>	-6,571,605	27,904,532
Other non-current liabilities	-217,414	217,414
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-6,789,020</b>	<b>28,121,947</b>
<b>TOTAL LIABILITIES</b>	<b>-67,298,734</b>	<b>42,422,861</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>-32,235,125</b>	<b>126,841</b>
<b>EQUITY</b>		
Share capital	39,378,725	68,442,527
Options Reserve	390,611	390,611
Retained loss	-72,004,461	-68,706,297
<b>TOTAL EQUITY</b>	<b>-32,235,125</b>	<b>126,841</b>

**Notes:**

1. Change in cash balance is the full proceeds of the offer less \$2,895,125 being the transaction costs. For further details of the transaction costs please refer to Section 9.10.
2. Change in cash balance excludes any offsetting of debt by Black Crane.

3. Ares outstanding debt reclassified as long-term borrowings reflecting term extension as announced on 24 September 2021, excluding \$750,000 owing in FY2022.
4. Approximately \$3,700,267 in long-term borrowings forgiven as part of debt restructure.
5. On 30 August 2021, the claim for contingent consideration by the vendors of Onwatch of \$892,000 and counter claims was settled without requiring payment other than costs, which totalled \$135,000. Resulting in derecognising approximately \$755,000 of deferred consideration no longer payable.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7 and in Section 4.4, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7 and in Section 4.4, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 and Section 4.4 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and in Section 4.4 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### **7.2 Company and Offer Specific Risks**

The key Company and Offer specific risks are set out in Section 4.4 of this Prospectus.

### **7.3 Industry Specific**

#### **(a) Innovation risk**

The Company's ability to retain, increase, and engage its users and address their evolving needs and to increase revenues will depend heavily on management's ability to successfully create, launch and grow demand for new products, both independently and in conjunction with strategic partners.

Remaining innovative and developing new and unique product offerings require investment and configuration that requires monetary and internal resource investment which may erode the Company's competitive position and adversely affect the growth and profitability of the Company.

(b) **Regulatory risk**

The introduction of new policies or legislation or amendments to existing policies or legislation and the failure by governments to act promptly to introduce new or amend existing policies or legislation that governs Company operations or contractual obligations, could impact adversely on the operations and, ultimately, the financial performance of the Company.

In conjunction with its strategic partners, management monitors the policies and regulations that apply to Company operations and regularly engages and consults with government agencies.

(c) **Privacy and cyber security risk**

The Company collects, transmits and stores commercial and financial information. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in the Company's failure or inability to adequately protect its commercially sensitive information. .

An external cyberattack may have a detrimental effect on the company. The Company will be unable to service clients for the period of the outage which could ultimately result in a loss of clients and consequently revenue. Confidential company and client information may be compromised.

The Company has established measures and systems to minimise the likelihood of security breaches and these systems are regularly monitored for development or improvement.

## **7.4 General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## **7.5 Speculative investment**

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## 8. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### (a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### (b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### (c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## 9. ADDITIONAL INFORMATION

### 9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 9.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Retail Offer Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report which was released on 30 August 2021 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
24/09/2021	Proposed issue of securities - TPS
24/09/2021	Recapitalisation Presentation
24/09/2021	Announcement of Placement and Entitlement Offer

Date	Description of Announcement
22/09/2021	Trading Halt
20/09/2021	Final Director's Interest Notice
20/09/2021	Appointment of CFO and Resignation of Director
07/09/2021	Investor Presentation
31/08/2021	Appendix 4G
31/08/2021	Corporate Governance Statement
31/08/2021	Appendix 4E & Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://www.threatprotect.com.au/>.

### 9.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.032	02/07/21
Lowest	\$0.019	06/09/21
Last	\$0.020	21/09/21

### 9.4 Material Contracts

#### 9.4.1 Underwriting Agreement

On 24 September 2021, the Company entered into an underwriting agreement with Morgans pursuant to which the Company agreed to engage Morgans to act as lead manager, bookrunner and underwriter to the Entitlement Offer and the Placement (**Underwriting Agreement**). The material terms of the Underwriting Agreement are as follows:

- (a) **Appointment as Lead Manager:** the Company agreed to appoint Morgans as the sole lead manager and bookrunner of the Entitlement Offer;
- (b) **Appointment as Underwriter:** the Company agreed to appoint Morgans as the underwriter of the Entitlement Offer and Placement and Morgans agreed to accept the appointment and agreed to subscribe or procure subscription, and pay or procure payment, for 6,373,293,537 Shares under the Entitlement Offer;
- (c) **Sub-Underwriter:** it was agreed that Morgans will:

- (i) engage Sub-Underwriters on such terms and conditions as it determines in its absolute discretion at its own expense and as required to ensure that the Entitlement Offer is fully underwritten; and
  - (ii) ensure that the relevant interest in the Company of each of the sub-underwriters (other than Black Crane) will not increase to 20% or more upon completion of the Entitlement Offer;
- (d) **Conditions Precedent:** it was agreed that:
  - (i) the obligations of the Underwriter to underwrite the Institutional Entitlement Offer are conditional upon an announcement of the results of the Institutional Entitlement Offer; and
  - (ii) the obligations of the Underwriter to underwrite the Retail Entitlement Offer are conditional upon an announcement of the results of the Retail Entitlement Offer being made, the Underwriter receiving a retail shortfall notice and the Company lodging an Appendix 2A for the Shares issued under the Institutional Entitlement Offer.
- (e) **Payment:** it was agreed that the Underwriter will pay or procure payment to the Company of the issue price of the Entitlement Offer Shares in accordance with the payment mechanisms set out in Section 5.17 of this Prospectus;
- (f) **Fees:** the Company agreed to pay the following fees to the Underwriter:
  - (i) a management fee of 1% of the total proceeds under the Institutional Offer, Placement and Retail Offer; and
  - (ii) an underwriting fee of 4% of the amount which equals the proceeds raised under the Placement, Institutional Offer and Retail Offer proceeds (less the Black Crane Final Sub-Underwriting Amount);
- (g) **Sub-Underwriting Fees:** it was agreed that the Underwriter will be responsible for any sub-underwriting, broker commissions or other selling fees they decide (in their absolute discretion) paid in conjunction with carrying out the Entitlement Offer;
- (h) **Absolute Termination:** the parties agreed that, upon the occurrence of each of the following events, the Underwriter has an "absolute right to termination" (meaning the Underwriter may give written notice to the Company without any cost or liability and immediately terminate this agreement):
  - (i) the Company ceasing to be listed;
  - (ii) the S&P/ASX 300 closing prior to the settlement date of the Retail Offer at a level that is 7.5% or more below its level;
  - (iii) any event which is likely to result in the Company being insolvent;
  - (iv) the Company notifying the Underwriter that it does not wish to proceed with the Entitlement Offer;

- (v) force majeure;
  - (vi) repayment of application monies;
  - (vii) change in certain key officers of the Company;
  - (viii) regulatory action in relation to directors and senior executives;
  - (ix) the Company or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct;
  - (x) alteration to capital structure without the Underwriter's prior written consent;
  - (xi) ASIC takes certain actions that are unable to be rectified; and
  - (xii) any person whose consent to the issue of this Prospectus or any supplementary prospectus is required withdraws such consent;
- (i) **Qualified Termination Events:** the parties agreed that, upon the occurrence of each of the following events, the Underwriter has a "qualified right to termination", meaning it may give written notice to the Company without any cost or liability and immediately terminate this agreement if it has reasonable grounds to believe, or actually does believe, that it has or is likely to have a material adverse effect on the Company or has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation.
- (i) the Company commits a breach of applicable laws or failure to comply with its Constitution;
  - (ii) the Company lodges a supplementary prospectus without the consent of the Underwriter;
  - (iii) the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
  - (iv) a representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
  - (v) legal proceedings against the Company are commenced;
  - (vi) a new circumstance arises which is a matter adverse to investors;
  - (vii) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the Company;
  - (viii) the Underwriter believes (acting reasonably) that an adverse change in the Company has occurred as a direct or indirect result of COVID-19;
  - (ix) the Company issues an information document without the prior approval of the Underwriter (such approval not to be unreasonably withheld) or varies an existing information

document without the prior approval of the Underwriter (such approval not to be unreasonably withheld).

- (x) it transpires that an error was made during the course of due diligence;
- (xi) litigation, or other proceedings are commenced against the Company; and
- (xii) any contract, deed or other agreement, which is material to the making of an informed investment decision in relation to the Entitlement Offer is terminated or found to be void.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties).

## 9.5 Black Crane Debt Termination Agreement

By way of background, on 14 June 2020, and as subsequently varied, the Company entered into an unsecured loan deed with Black Crane Asia Pacific Opportunities Fund (**Black Crane**) (**Loan Note Deed**). In accordance with the terms of the Loan Note Deed, the Company issued Black Crane 6,500,000 unsecured loan notes, each with a face value of \$1.00 (**Loan Notes**) for an aggregate subscription amount of \$6,500,000 (**Subscription Amount**).

On 23 September 2021, the Company entered into a deed of termination, settlement and release with Black Crane and Black Crane Advisors Limited (**Black Crane Advisor**) (**Black Crane Debt Termination Agreement**) in respect of agreeing settlement terms regarding the cancellation and redemption of the Loan Notes and repayment of the Settlement Amount (defined below).

Both Black Crane Advisors and Black Crane are companies controlled by Peter Kennan.

The material terms of the Black Crane Deed of Termination are as follows:

- (a) (**Subscription under the Entitlement Issue**): Black Crane has agreed to apply for its maximum Entitlement under the Entitlement Offer;
- (b) (**Entry into Sub-Underwriting Agreement**): Black Crane has agreed to enter into a sub-underwriting agreement to subscribe for Shares which form part of the shortfall to the Entitlement Offer, up to the value of the Black Crane Sub-Underwriting Commitment. Black Crane's final sub-underwritten amount will be determined by the Company (in consultation with the Underwriter) upon completion of the Institutional Shortfall Bookbuild;
- (c) (**Settlement Amount**): The amount to be repaid to Black Crane (in the manner set out below) is the total of the Subscription Amount and all interest accrued in accordance with the Loan Note Deed up to the date on which the repayment is made (the **Settlement Amount**). The amount owing by the Company to Black Crane under the terms of the Loan Note Deed (including accrued interest) up to 30 September 2021 is \$7,061,966;
- (d) (**Repayment of Settlement Amount**): The Company will repay the Settlement Amount to Black Crane in the following manner:

- (i) the amount payable by Black Crane in applying for its maximum Entitlement under the Entitlement Offer shall be fully offset against the Settlement Amount (and no cash shall be paid by Black Crane); and
- (ii) the subscription price for any Shares to be subscribed for by Black Crane (or its nominee) under the sub-underwriting commitment will also be offset against the Settlement Amount. To the extent that the subscription price (together with the amount payable by Black Crane pursuant to paragraph (i) above) exceeds the Settlement Amount, the balance shall be payable in cash.

Any part of the Settlement Amount not offset in the above manner (**Outstanding Settlement Amount**) will remain payable by the Company.

- (e) (**Termination and treatment of Outstanding Settlement Amount**): The Company will treat the Outstanding Settlement Amount in the following manner:
  - (i) where no Outstanding Settlement Amount remains, the Loan Note Deed will be terminated and of no further force or effect with all parties released from their obligations and the Company will be deemed to have bought back and fully redeemed the Loan Notes, such that the Loan Notes will not remain on issue; and
  - (ii) where there remains an Outstanding Settlement Amount, the Loan Note Deed will continue to be in full force and effect in respect of the Outstanding Settlement Amount and will remain on issue under the same terms other than it will be varied so that any remaining Loan Notes are no longer convertible into Shares and the maturity date for the Outstanding Settlement Amount is extended to 31 December 2023 (unless otherwise agreed by the parties in writing).
- (f) (**Settlement Fee**): in consideration for Black Crane Advisors and Black Crane entering into the Black Crane Debt Termination Agreement, the Company will pay the following fees:
  - (i) \$800,000 in relation to the Black Crane Sub-Underwriting Commitment,; and
  - (ii) \$600,000 for advisory services,

within five (5) days of completion of the Capital Raising.

Black Crane and Black Crane Advisors are related parties of the Company by virtue of being controlled by Director Peter Kennan and the terms of the Black Crane Debt Termination Agreement constitute giving a financial benefit to Black Crane and Black Crane Advisors. The Board (other than Peter Kennan who abstained because he has a material personal interest) resolved that shareholder approval was not needed to enter into the Black Crane Debt Termination Agreement on the basis that that the terms were agreed on favourable and reasonable commercial terms following an arm's length negotiation process and accordingly the arm's length exception pursuant to s210 of the Corporations Act applied.

## 9.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (i) the Entitlement Offer.

## 9.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Entitlement Offer.

## Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 4.6.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's annual reports for the financial year ended 30 June 2020 and the financial year ending 30 June 2021 and the proposed annual remuneration to be paid to both executive and non-executive Directors for the financial year ended 30 June 2022.

Director	Actual FY ended 30 June 2020	Actual FY ended 30 June 2021	Proposed FY ending 30 June 2022
Dimitri Bacopanos	\$36,000	\$36,000	\$36,000
Dennison Hambling	\$17,591	\$36,000	\$246,844
Peter Kennan	\$16,065	\$39,420	\$54,584
Derek La Ferla <sup>1</sup>	\$54,750	\$51,096	\$9,000
Demetrios Pynes <sup>2</sup>	\$302,254	\$321,795	nil
Paul Ferrara <sup>3</sup>	\$389,973	nil	nil

### Notes:

1. Resigned as at 20 September 2021.
2. Resigned as at 28 June 2021.
3. Resigned as at 11 May 2020.

## 9.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Entitlement Offer.

Morgans has acted as the lead manager and underwriter of the Entitlement Offer. The Company estimates it will pay 1% of the proceeds of the Capital Raising and 4% of the proceeds of the Capital Raising less the Black Crane Final Sub-Underwritten Amount (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Morgans has not received any fees from the Company for any other services.

Azure Capital Pty Ltd (**Azure**) has acted as the financial adviser of the Capital Raising. The Company estimates it will pay Azure \$480,708 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Azure has received \$209,774 (excluding GST) in fees from the Company.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Entitlement Offer. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling approximately \$60,000 (excluding GST and disbursements) for legal services provided to the Company.

BDO Audit (WA) Pty Ltd (**BDO Audit**) has been paid \$85,000 (excluding GST and sundries) for auditing the Company's 30 June 2021 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit has received \$246,798 (excluding GST) in fees from the Company for its auditing services.

## 9.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Morgans has given its written consent to being named as the lead manager and underwriter to the Entitlement Offer in this Prospectus. Morgans (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Azure has given its written consent to being named as the financial adviser to the Company in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in this Prospectus.

BDO Audit has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2021 audited balance sheet of the Company in Section 6.4.

## 9.10 Expenses of the offer

In the event that all Entitlements are accepted, and the Placement is fully subscribed, the total expenses of the Entitlement Offer and the Placement are estimated to be approximately \$2,895,125 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$ <sup>1</sup>
Morgans underwriting and management fee	842,359 <sup>3</sup>
Black Crane sub-underwriting commitment fee	800,000 <sup>2</sup>
Black Crane advisory fee	600,000 <sup>2</sup>
Azure advisory fee	480,708 <sup>4</sup>
Legal fees	125,000 <sup>5</sup>
ASX fees	38,852

	\$ <sup>1</sup>
ASIC fees	3,206
Printing and Miscellaneous	5,000
<b>Total</b>	<b>2,895,125</b>

**Notes:**

1. The Company considers it appropriate to include the funds of the Placement in the table above given the Placement is to be conducted in conjunction with the Entitlement Offer.
2. For further details of the fees to be paid to Black Crane Advisors please refer to Section 9.5.
3. Morgans fee includes 4.00% underwriting fee of the proceeds raised under the Placement and the Entitlement Offer less the Black Crane Final Sub-Underwritten Amount and 1.00% of total raised funds fees. This fee assumes the Black Crane Final Sub-Underwritten Amount is equal to the Black Crane Sub-Underwriting Commitment. However, if the Black Crane Final Sub-Underwritten Amount is less Morgans fee will increase accordingly by 4% of the difference between the Black Crane Sub-Underwriting Commitment and the Black Crane Final Sub-Underwritten Amount.
4. Azure fee includes 1.50% total raised funds under the Capital Raising.
5. Legal fees include the Underwriter's legal fees to be paid by the Company.

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**10. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Dennison Hambling**  
**Deputy Chairman & Executive Director**  
**THREAT PROTECT AUSTRALIA LIMITED**

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## 11. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales. **Applicant** means a Shareholder who applies for Shares pursuant to the Entitlement Offer or a Shareholder or other party who applies for Retail Shortfall Shares pursuant to the Retail Shortfall Offer.

**Application** means an application to subscribe for Shares under this Prospectus.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**Application Monies** means money submitted by Applicants in respect of Applications.

**Ares** means Ares Management Corporation (NSYE: ARES) (formerly Soliton Capital Partners Pty Ltd).

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

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

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Black Crane** means Black Crane Asia Pacific Opportunities Fund.

**Black Crane Advisors** means Black Crane Advisors Limited.

**Capital Raising** means the Placement and the Entitlement Offer.

**Company** means Threat Protect Australia Limited (ACN 060 774 227) to be renamed "Intelligent Monitoring Group Limited" following shareholder approval.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Institutional Shareholder** means a Shareholder at the Record Date that is selected by the Company who has successfully received an offer under the Institutional Offer.

**Eligible Retail Shareholder** means a Shareholder on the Record Date who is not an Eligible Institutional Shareholder.

**Eligible Shareholders** means Eligible Retail Shareholders and Eligible Institutional Shareholders.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

**Entitlement Offer or Offer** means the Institutional Offer and the Retail Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**First Samuel** means First Samuel Limited.

**Ineligible Shareholders** means a Shareholder with a registered address outside Australia, New Zealand, Canada, Germany, Hong Kong, Isle of Man, Philippines, The United Republic of Tanzania, United Arab Emirates, United Kingdom and Zambia. For the avoidance of doubt all Shareholders at the Record Date will be eligible under the Entitlement Offer.

**Institutional Offer** means the offer of Shares to Eligible Institutional Shareholders under the Entitlement Offer.

**Institutional Shortfall Shares** has the meaning as per Section 5.3.

**Loan Notes** has the meaning given to that term in Section 9.5.

**Loan Note Deed** means the unsecured loan deed entered into on 14 April 2020 between Black Crane and the Company (as varied on 23 June 2020).

**Official Quotation** means official quotation on ASX.

**Placement** has the meaning given to that term in Section 4.2.

**Placement Shares** has the meaning given to that term in Section 4.2.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Retail Offer Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Retail Offer** means the offer of Shares to Eligible Retail Shareholders under the Entitlement Offer.

**Retail Shortfall Offer** means the offer of the Retail Shortfall Shares on the terms and conditions set out in Section 5.14 of this Prospectus.

**Retail Shortfall Shares** has the meaning as per Section 5.14 of this Prospectus.

**Section** means a section of the Prospectus unless context otherwise requires.

**Securities** means any securities in the Company.

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

**Shareholder** means a holder of a Share.

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**WST** means Western Standard Time as observed in Perth, Western Australia.